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# West Europe Report

PORTUGAL: AGREEMENT ON EEC,  
EURATOM MEMBERSHIP

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18 February 1986

## WEST EUROPE REPORT

### PORTUGAL: AGREEMENT ON EEC, EURATOM MEMBERSHIP

Lisbon O JORNAL in Portuguese 4 Oct 85 Special Supplement  
pp 1-39

[Text: Treaty of Accession of Portugal to the European Communities]

Treaty between the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland (member states of the European Communities) and the Spanish State and the Portuguese Republic relative to the membership of the Spanish State and the Portuguese Republic in the European Economic Community EEC and the European Atomic Energy Community EURATOM .

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#### Preamble of the Treaty

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Protocol No. 3 - Relative to the exchanges of merchandise between Spain and Portugal during the period of the application of the transitory measures.

( Title II, Articles 30 to 188 inclusive, "Transitory Measures Relative to Spain," was excluded).

His Majesty, the King of the Belgians, Her Majesty, the Queen of Denmark; the President of the Federal Republic of Germany, the President of the Hellenic Republic; His Majesty, the King of Spain; the President of the French Republic; the President of Ireland; the President of the Italian Republic; His Royal Highness, the Grande Duke of Luxembourg; Her Majesty, the Queen of the Netherlands; the president of the Portuguese Republic, Her Majesty, the Queen of the United Kingdom of Great Britain and Northern Ireland,

UNITED in the desire to continue the realization of the objectives of the treaty which created the European Economic Community and the treaty which created the European Atomic Energy Community;

DETERMINED, in keeping with the spirit of those treaties, to build an ever-closer union among the European peoples on the foundations already established;

Whereas, Article 237 of the treaty, which created the EEC, as well as Article 205 of the treaty, which created EURATOM, offer the European States the possibility of becoming members of these communities;

Whereas the Spanish State and the Portuguese Republic requested membership in these communities;

Whereas, the Council of European Communities, after obtaining the opinion of the Commission, expressed itself in favor of admitting these states:

Decided to establish by common accord the conditions of this admission and the adaptations to be made in the treaties which created the EEC and EURATOM, and for that purpose they have appointed as plenipotentiaries:

His Majesty, the King of the Belgians; Mr Wilfried Martens, prime minister; Mr Leo Tindemans, minister of foreign relations; Mr Paul Noterdaeme, ambassador, permanent representative to the European Communities.

Her Majesty the Queen of the Kingdom of Denmark, Prime Minister Poul Schluter, Minister of Foreign Affairs, Uffe Ellemann-Jensen; Jakob Esper Larsen, ambassador, permanent representative to the European Communities.

The President of the Federal Republic of Germany, Minister of Foreign Affairs Hans-Dietrich Genscher; Gisbert Poensgen, ambassador, permanent representative to the European Communities.

The president of the Hellenic Republic, Minister of Foreign Affairs Ioannis Haralambopoulos; Secretary of State for Foreign Affairs Theodoros Pagalos; Charge d'Affaires for EEC Affairs Alexandre Zafirliou, ambassador, permanent representative to the European Communities.

His Majesty the King of Spain; President of the Government Felipe Gonzalez Marquez; Minister of Foreign Affairs Fernando Moran Lopez; Secretary of State for Relations with the European Communities Manuel Marin Gonzalez.

The President of the French Republic; Prime Minister Laurent Fabius; Minister of Foreign Affairs Roland Dumas; Minister-Delegate in Charge of European Affairs Catherine Lalumiere; Luc de La Barre de Nanteuil, ambassador, permanent representative to the European Communities.



The President of Ireland; Prime Minister Garret FitzGerald; Minister of Foreign Affairs Peter Barry; ambassador, permanent representative to the European Communities. Andrew O'Rourke,

The President of the Italian Republic; President of the Council of Ministers Bettino Craxi; Minister of Foreign Affairs Giulio Andreotti; Pietro Calamia, ambassador, permanent representative to the European Communities.

His Royal Highness, the Grand Duke of Luxembourg; Vice Prime Minister Jaques F. Poos; Minister of Foreign Affairs Joseph Weland, ambassador; permanent representative to the European Communities.

Her Majesty, the Queen of the Netherlands; Prime Minister Ruud F.M. Lubbers; Minister of Foreign Affairs Hans van den Broek; H.J.Ch. Rutten, ambassador, permanent representative to the European Communities.

The President of the Portuguese Republic; Prime Minister Mario Soares; Vice Prime Minister Rui Machete; Minister of Foreign Affairs Jaime Gama; Minister of Finance and Planning Ernani Rodrigues Lopes.

Her Majesty, the Queen of the United Kingdom of Great Britain and Northern Ireland; Sir Geoffrey Howe QC, MP, Secretary of State for Foreign and Commonwealth Affairs; Sir Michael Butler, ambassador, permanent representative to the European Communities.

WHO, after having verified their full authorities, witnessed in good and due manner, AGREED on the following:

#### Article 1

1. The Spanish State and the Portuguese Republic become members of the EEC and EURATOM and parties to the treaty which created these communities as changed or complemented.
2. The conditions for admission, and the changes in the treaties which created the EEC and EURATOM resulting from them, are contained in the Act annexed to the present treaty. The provisions of this Act having to do with the EEC and EURATOM are an integral part of the present treaty.
3. The provisions relative to the rights and obligations of the member states, as well as the faculties and competency of the institutions of the communities, as they appear in the treaties referred to in No 1, are applicable in that which has to do with the present treaty.

#### Article 2

1. The present treaty shall be ratified by the High Contracting Parties in compliance with their respective constitutional norms. The instruments of ratification shall be deposited with the Government of the Italian Republic no later than 31 December 1985.

2. The present treaty will go into effect on 1 January 1986, provided all the instruments of ratification have been deposited before that date and that all the instruments of membership in the European Coal and Steel Community ECSC are deposited by that date.

3. If, however, one of the states referred to in No 1 of Article 1 has not deposited the instruments of ratification and accession in due time, the treaty shall go into effect for the other state which has deposited its instruments. In this case, the Council of European Communities, deliberating unanimously, shall immediately decide on the changes, which because of that fact it becomes necessary to introduce into Article 3 of the present treaty, and in Articles 14, 17, 19, 20, 23, 383, 384, 385, 386, 388, 397, and 402 of the Document of Accession; in the provisions of Annex I, which refer to the makeup and operation of the various committees, and in the pertinent articles of Protocol No 1 relative to the European Investment Bank Bylaws, annexed to that document. The Council, deliberating unanimously, can likewise declare obsolete or change the provisions of the documents mentioned above that refer specifically to the state which has not deposited its instruments of ratification or accession.

3. In derogation of No 2, the institutions of the Community can adopt the measures contained in Articles 27, 91, 161, 163, 164, 165, 171, 179, 258, 349, 351, 352, 358, 366, 378, 396 and in Articles 2, 3 and 4 of Protocol No 2 of the document of accession, before the country becomes a member. These measures only go into effect with reservations and depending on the date of effectiveness of this treaty.

#### Article 3

The present treaty, written in a single copy in German, Danish, Spanish, French, Greek, English, Irish, Italian, Dutch, and Portuguese, any of the texts being valid, shall be deposited in the archives of the Government of the Italian Republic, which shall send an authenticated copy to each of the governments of the other signatory states.

#### First Part: Principles

#### Article 1

For the purposes of the present Act:

"Original Treaties" are understood to be the treaty which created the ECSC; the treaty which created the EEC, and the treaty which created the EURATOM, as they were complemented or changed by treaties or other documents which went into effect before this membership; "ECSC Treaty," "EEC Treaty," and "EURATOM Treaty" are understood to be the corresponding treaties, thus complemented or changed;

"Present member states" are understood to mean the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland;

"Community in its present composition," is understood to be the Community made up of the present members states;

"Community in its expanded composition," is understood to be the Community in its composition after the additions of 1972 as well as after the additions of 1979;

"New member states" are understood to be the Spanish State and the Portuguese Republic.

#### Article 2

As of their accession, the provisions of the original treaties and the instruments adopted by the institutions of the Communities before their accession, are binding on the new member states and are applicable in those states in the terms of those treaties and the present Act.

#### Article 3

1. The new member states support by the present Act **all those decisions** and agreements adopted by the representatives of the governments of member states meeting in the Council. They pledge to support, as of the time of their membership, any other agreement entered into by the present member states relative to the operations of the Communities or related to the actions of them.
2. The new member states pledge to support the conventions stipulated in Article 220 of the EEC Treaty, as well as those which are inseparable from the accomplishment of the objectives of that treaty and consequently linked to the community legal order, as well as the protocols relative to the interpretation of those conventions by the Court of Justice, signed by the member states of the Community, in its original or enlarged composition, and to initiate for that purpose, negotiations with the present member states in order that the necessary changes may be introduced.
3. The new member states find themselves in the same situation as the present member states relative to statements, resolutions or other adoptions of position by the Council, as well as those having to do with the European Communities, adopted by common agreement by the member states. Consequently, they will respect the principles and orientations resulting from them and will adopt the measures which appear necessary to insure their application.

#### Article 4

1. The agreements or conventions entered into by the Communities with one or more third states, an international organization or with a citizen of a third state, bind the new member states under the terms of the original treaties and the present document.
2. The new member states pledge, under the terms of the present Act, to support the agreements or conventions concluded by the member states of the Community, in its original or expanded composition, jointly with one of the Communities, as well as agreements concluded by these states related to those agreements or conventions. For that purpose, the Community and the present member states shall give assistance to the new member states.
3. The new member states support, through the present Act, and under the conditions stipulated in it, the internal agreements entered into by the member states of the Community in its original or expanded composition, for the application of the agreements or conventions referred to in No 2.
4. The new member states shall take the suitable measures for adapting, if required, to the rights and obligations resulting from their membership in the Communities with respect to international organizations and the international agreement of which other member states or one of the Communities are also part.

#### Article 5

With respect to the new member states, the provisions of Article 234 of the EEC Treaty, and Articles 105 and 106 of the EURATOM Treaty, are applicable to agreements or conventions concluded prior to their accession.

#### Article 6

The provisions contained in the present document, providing it establishes nothing to the contrary, can only be suspended, altered or revoked pursuant to the processes stipulated in the original treaties which allow the revision of these treaties.

#### Article 7

The Acts adopted by the institutions of the Communities to which the transitory provisions established in the present Act refer, preserve their legal character, and the processes of alteration of those instruments continue to be particularly applicable to them.

#### Article 8

The provisions of the present Act, which have the objective or purpose of revoking or altering in a nontransitory manner the Acts adopted by the institutions of the Communities, acquire the same legal character as the



provisions thus revoked or altered and shall remain subject to the same norms as the latter.

## Article 9

The application of the original treaties and the acts adopted by the institutions, remains subject temporarily to the derogative provisions stipulated in the present Act.

## Second Part: Adaptations of the Treaties

### Title I: Institutional Provisions

#### Chapter I: The Assembly

## Article 10

Article 2 of the Act relative to the elections of the representatives to the Assembly by direct universal suffrage, annexed to Decision 76/787/ECSC EEC, EURATOM, will now be written as follows:

### "Article 2

The number of representatives elected in each member state is established in the following manner:

|                     |    |
|---------------------|----|
| Belgium.....        | 24 |
| Denmark.....        | 16 |
| Germany.....        | 81 |
| Greece.....         | 24 |
| Spain.....          | 60 |
| France.....         | 81 |
| Ireland.....        | 15 |
| Italy.....          | 81 |
| Luxembourg.....     | 6  |
| Netherlands.....    | 25 |
| Portugal.....       | 24 |
| United Kingdom..... | 81 |

#### Chapter 2: The Council

## Article 11

The second paragraph of Article 2 of the treaty which created the single Council and single Commission of the European Communities, will now read as follows:

"The presidency is exercised in rotation by each member state in the Council for a period of 6 months, in the following order of member states: during



a first cycle of 6 years: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Portugal, United Kingdom; during the following cycle of 6 years: Denmark, Belgium, Greece, Germany, France, Spain, Italy, Ireland, Netherlands, Luxembourg, United Kingdom, Portugal."

#### Article 12

Article 28 of the ECSC Treaty will now read as follows:

#### "Article 28

Whenever the Council is consulted by the High Authority, they will deliberate without necessarily proceeding to a vote. The minutes of the deliberations will be transmitted to the High Authority.

In case the present treaty requires a favorable opinion from the Council, the opinion will be considered granted if the proposal submitted by the High Authority obtains the approval of:

The absolute majority of the representatives of the member states, including the votes of the representatives of two member states, who each guarantees at least one-ninth of the total value of the coal and steel production of the Community; or in case of a tie in the votes, and if the High Authority maintains its proposal after the second deliberation, the votes of the representatives of three member states, who will each guarantee at least one-ninth of the total value of the coal and steel production of the Community.

In case the present treaty requires a unanimous decision or a unanimous favorable opinion, the decision or opinion will be adopted if it receives the votes of all the members of the Council. However, for the application of Articles 21, 32, 32-A, 78-E, 78-H of the present treaty and of Articles 16, the third paragraph of Article 20, the fifth paragraph of Article 28 and 44 of the protocol relative to the Statute of the Court, abstentions by members present or represented will not prevent the decisions which require unanimity from being undertaken by the Council.

The decisions of the Council, which do not require a qualified majority or unanimity, are adopted by the majority of the members who make it up. This majority is considered obtained if it consists of the absolute majority of the votes of the representatives of member states, including the votes of the representatives of two member states who each insures at least one-ninth of the total value of the coal and steel productions of the Community. However, for the application of the provisions of Articles 78, 78-B and 78-E of the present treaty, which require a qualified majority, the following weight is given to the votes of the council: Belgium, 5; Denmark, 3; Germany, 10; Greece, 5; Spain, 8; France, 10; Ireland, 3; Italy, 10; Luxembourg, 2; Netherlands, 5; Portugal, 5; United Kingdom 10. The decisions are adopted if they obtain no fewer than 54 votes cast by no fewer than eight members.

In case of a vote, each member of the Council may only represent one of the other members by a delegated vote.

The Council will deal with the member states through its president.

The deliberations of the Council will be published under the conditions established by it."

#### Article 13

The fourth paragraph of Article 95 of the ECSC Treaty will now be written as follows:

"Those changes will be the object of joint proposals by the High Authority and the Council, the latter deciding by a majority of ten twelfths of its members, and submitted to the approval of the Court. In its examination the Court has full authority to evaluate all the elements of fact and law. If after the examination the Court believes that the proposals are in conformity with the provisions of the previous paragraph, such proposals will be sent to the Assembly and will become effective if approved by a majority of three-fourths of the votes cast, and by a majority of two-thirds of the members who make up the Assembly."

#### Article 14

Number 2 of Article 148 of the EEC Treaty and No 2 of Article 118 of the ECSC Treaty will now read as follows:

"2. Relative to the decisions of the Council that require a clear majority, the following weight was given to the votes of its members:

|                     |    |
|---------------------|----|
| Belgium.....        | 5  |
| Denmark.....        | 3  |
| Germany.....        | 10 |
| Greece.....         | 5  |
| Spain.....          | 8  |
| France.....         | 10 |
| Ireland.....        | 3  |
| Italy.....          | 10 |
| Luxembourg.....     | 2  |
| Netherlands.....    | 5  |
| Portugal.....       | 5  |
| United Kingdom..... | 10 |

Decisions are adopted if they obtained at least:

54 votes, providing that pursuant to the present treaty they were adopted under a proposal of the Commission;

54 votes, which represent the favorable vote of no fewer than eight members in the rest of the cases."

### Chapter 3: The Commission

#### Article 15

Number 1 of the first paragraph of Article 10 of the Treaty creating a single Council and a single Commission for the European Communities will now be written as follows:

"1. The Commission is made up of 17 members selected because of their general competency and offer all the guarantees of independence."

#### Article 16

Article 14 of the Treaty, which created a single Council and a single Commission for the European Communities, is changed as follows:

1) The first paragraph will now be written as follows:

"The president and the six vice presidents of the Commission are appointed from among the members of it for a period of 2 years, pursuant to the process stipulated for the appointment of the members of the Commission. They may be reelected to their functions."

2) The following paragraph is added:

"The council, by unanimous decision, can change the provisions relative to the vice presidents."

### Chapter 4: The Court of Justice

#### Article 17

The first paragraph of Article 32 of the ECSC Treaty, the first paragraph of Article 165 of the EEC Treaty, and the first paragraph of Article 138 of the EURATOM Treaty are now written as follows:

"The Court of Justice now consists of 13 judges."

#### Article 18

The first paragraph of Article 32-A of the ECSC Treaty, the first paragraph of Article 166 of the EEC Treaty, and the first paragraph of Article 138 of the EURATOM Treaty will now be written as follows:

"The Court of Justice is assisted by six general counsels."

#### Article 19

The second and third paragraphs of Article 32-B of the ECSC Treaty, the second and third paragraphs of Article 167 of the EEC Treaty and the second

and third paragraphs of Article 139 of the EURATOM Treaty are now written as follows:

"Every three years, there will be a partial substitution of the judges, which will alternately affect seven and six judges.

Every three years there will be a partial substitution of the general counsels which will affect three general counsels each time."

Chapter 5: The Court of Auditors.

Article 20

No 2 of Article 78-E of the ECSC Treaty, No 2 of Article 206 and No 2 of Article 180 of the EURATOM Treaty are now written as follows:

"2. The Court of Auditors is made up of 12 members."

Chapter 6: The Economic and Social Committee

Article 21

The first paragraph of Article 194 of the EEC Treaty and the first paragraph of Article 166 of the EURATOM are now written as follows:

"The number of members of the Committee is established as follows:

|                     |     |
|---------------------|-----|
| Belgium.....        | 12  |
| Denmark.....        | 9   |
| Germany.....        | 24  |
| Greece.....         | 12  |
| Spain.....          | 21  |
| France.....         | 24  |
| Ireland.....        | 9   |
| Italy.....          | 24  |
| Luxembourg.....     | 6   |
| Netherlands.....    | 12  |
| Portugal.....       | 12  |
| United Kingdom..... | 24" |

Chapter 7: The EURATOM Consultative Committee

Article 22

The first paragraph of Article 18 of the ECSC Treaty is now written as follows: "A consultative committee is created beside the High Authority, which will consist of a minimum of 72 members and a maximum of 96, among whom will be an equal number of producers, workers, consumers, and businessmen."

## Chapter 8: The Scientific and Technical Committee

### Article 23

Number 2 of the first paragraph of Article 13<sup>4</sup> of the EURATOM Treaty will now be written as follows:

"2. The Committee is made up of 33 members appointed by the Council after consultation with the Commission."

### Title II: Other Changes

### Article 24

No 1 of Article 227 of the EEC Treaty will now be written as follows:

"1. The present treaty is applicable to the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Spanish State, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Portuguese Republic and the United Kingdom of Great Britain and Northern Ireland."

### Article 25

1. The treaties, as well as the Acts of the European Communities, apply to the Canary Islands and to Ceuta and Meliha, without prejudice to the derogations referred to in numbers 2 and 3 and other provisions of the present Act.

2. The conditions under which the provisions of the EEC and EURATOM Treaties relative to the free movement of merchandise, as well as the acts of the institutions of the Community relative to customs legislation and commercial policy, will apply to the Canary Islands and Ceuta and Meliha, are defined in Protocol No 2.

3. Without prejudice to the specific provisions of Article 155, the acts of the institutions of the European Communities relative to the common agricultural policy and the common fishing policy are not applied to the Canary Island and Ceuta and Meliha.

The Council, deciding by a qualified majority, at the proposal of the Commission, shall determine the provisions of a sociostructural nature, which in the area of agriculture are applicable to the Canary Islands, at the same time making sure that those provisions are compatible with the general objectives of the common agricultural policy.

4. At the request of the Spanish State, the Council, by unanimous decision, at the proposal of the Commission and after consultation with the Assembly may:



decide on the inclusion of the Canary Islands and Ceuta and Meliha in the customs territory of the Community;

define the proper measures for making the provisions of community tariffs in effect extended to the Canary Islands and Ceuta and Meliha.

At the proposal of the Commission, the Council, acting on its own or at the request of a member state, by unanimous decision and after consultation with the Assembly, may decide on the adaptations of the system applicable to the Canary Islands and Ceuta and Meliha which may become necessary.

#### Third Part: Adaptations of the Acts Adopted by the Institutions

##### Article 26

The acts ennumerated in the list which makes up Annex I of the present Act, are subject to the adaptations specified in the aforementioned annex.

##### Article 27

The adaptations of the Acts ennumerated in the list which makes up Annex II of the present Act, required because of the accession of Portugal and Spain , shall be accomplished pursuant to the orientations defined in the aforementioned annex in accordance with the process and under the conditions stipulated in Article 396.

#### Fourth Part: Temporary Measures

##### Title I: Institutional Provisions

##### Article 28

1. During the first 2 years after accession, each of the new member states will proceed to the election, through direct and universal suffrage, of the 60 representatives of the Spanish people to the Assembly, and of the 24 representatives of the Portuguese People to the Assembly, respectively, under the terms of the provisions of the Act of 20 September 1976 relative to the election of representatives to the Assembly through direct universal suffrage. The term of these representatives expires at the same time as that of the elected representatives of the present member states for the five-year period underway.

2. As of the time of accession, and for the period which will intervene until the realization of each of the elections stipulated in No 1 above, the representatives of the Spanish and Portuguese people to the Assembly shall be appointed by the legislative bodies of the new member states from among their members, pursuant to the procedure established by each of those states.

## Article 29

For the purposes of the application of the second paragraph of Article 2 of the treaty which created a single Council and a single Commission for the European Communities, the new order of the member states established in Article 11 of the present Act applies to the terms of the periods of rotation that are underway according to the order of the member states established in the aforementioned Article 29 in its text, which was effective before the joining of Portugal and Spain .

### Title III: Temporary Measures Relative to Portugal

#### Chapter I: The Free Movement of Merchandise

##### Section I: Custom Tariff List Provisions

## Article 189

1. With respect to each product, the base tariff on which the successive reductions stipulated in Articles 190; No 1 of Article 243, and Nos. 1, 2 and 3 of Article 360 must be based, is that which was actually used on 1 January 1985 for the products originating in the Community in its present composition, and in Portugal within the framework of its trade exchanges.

2. With respect to each product, the base tariff on which the adjustments must be made with respect to the common customs tariff list and the unified ECSC customs list stipulated in Articles 197, in No 2 of Article 243 and in No 4 of Article 360, is that which was actually applied by the Portuguese Republic on 1 January 1985.

3. However, if after that date, and before accession, a customs tariff list reduction were to be applied, the tariff thus reduced would be considered the base tariff.

4. When it becomes a member, the Portuguese Republic shall take whatever measures are necessary to suspend its maximum customs tariff list, and will make occasional suspensions of its customs tariffs.

The customs tariffs of the maximum customs tariff list, as well as the temporarily suspended customs tariffs, are not base tariffs under the definitions of Nos 1 and 2. Whenever such tariffs are actually applied, the base tariffs are the tariffs of the minimum customs list, or when applicable, the conventional tariffs.

5. The Community, in its present composition, and the Portuguese Republic shall inform each other on their respective base tariffs.

6. In derogation of the provisions of No 1 relative to the products listed in Protocol No 15, the base tariffs are those indicated in the aforementioned protocol in front of each of them.

## Article 190

1. The customs tariffs on imports between the Community in its present configuration and the Portuguese Republic, shall be progressively abolished pursuant to the following calendar:

On 1 March 1986 each tariff shall be reduced to 90 percent of the base tariff;  
on 1 January 1987, each tariff shall be reduced to 80 percent of the base tariff;  
on 1 January 1988, each tariff shall be reduced to 65 percent of the base tariff;  
on 1 January 1989, each tariff shall be reduced to 50 percent of the base tariff;  
on 1 January 1990, each tariff shall be reduced to 40 percent of the base tariff;  
on 1 January 1991, each tariff shall be reduced to 30 percent of the base tariff;  
the other two reductions of 15 percent each shall be made on 1 January 1992 and 1 January 1993.

2. In derogation of the provisions of No 1, as of 1 March 1986 the following shall be exempted from customers tariffs:

a) The imports which benefit from the provisions relative to customs exemptions applicable to persons who travel from one member state to another;

b) The imports of merchandise in small quantities not of a commercial nature and which benefit from the provisions relative to the customs exemptions among the member states.

3. The rates of tariffs calculated under the terms of No 1 shall be applied by rounding off to the first decimal place, disregarding the second decimal place.

## Article 191

In no case shall customs tariffs be applied in the Community that are higher than those which are applied with respect to third countries which are benefitted by the most favored nation clause.

In case of modification or suspension by the Portuguese Republic of the tariffs of the common customs list contained in Article 201, or the co-existence in Portugal of specific tariffs with respect to the Community in its present composition, and of ad valorem tariffs with respect to third countries for the same customs list item or subitem, the Council, deciding by a qualified majority at the proposal of the Commission, may take the measures required to maintain the community preference.

In case of modification or suspension by the Portuguese Republic of the ECSC unified customs list tariffs contained in Article 201, or the coexistence in Portugal of specific tariffs with respect to the Community in its present composition, and of ad valorem tariffs with respect to third countries for the same customs list item or subitem, the Commission may take the necessary measure to maintain the community preference.

#### Article 192

The Portuguese Republic may suspend, totally or partially, the collection of tariffs applicable to products imported from the Community in its present composition. The Portuguese Republic shall inform the other member states and the Commission of that fact.

The Council, by a qualified majority decision, at the proposal of the Commission, may suspend, totally or partially, the collection of tariffs applicable to products imported from Portugal.

#### Article 193

As of 1 March 1986, the surcharges equivalent to import customs tariffs existing in the trade exchanges between the Community, in its present composition, and Portugal, shall be abolished.

#### Article 194

The following surcharges applied by Portugal in its trade exchanges with the Community in its present composition shall be progressively abolished pursuant to the following timetable:

a) The 0.4 percent value added surcharge applied to:

merchandise imported temporarily,  
merchandise reimported (with the exception of containers),  
merchandise imported under the in bond system characterized by the restitution after export of the tariffs charged on the materials used (drawback),  
shall be:

reduced to 0.2 percent on 1 January 1987 and  
abolished on 1 January 1988.

b) The 0.9 percent value added surcharge applied to merchandise imported for consumption shall be:

reduced to 0.6 percent on 1 January 1989,  
reduced to 0.3 percent on 1 January 1990 and  
abolished on 1 January 1991

#### Article 195

Export customs tariffs and charges equivalent to them existing in trade exchanges between the Community in its present composition and Portugal shall be abolished on 1 March 1986.

#### Article 196

1. As of 1 March 1986, the Portuguese Republic shall abolish customs tariffs of a tax nature, or the tax element of customs tariffs existing on that date on imports from the Community in its present composition.

2. Customs tariffs of a tax nature or the tax elements of the customs tariffs applied by the Portuguese Republic on the following products shall be abolished pursuant to the timetable stipulated in Article 190.

3. The Portuguese Republic maintains the authority to replace any customs tariff of a tax nature, or the tax element of that tariff, by means of an internal tax, under the terms of Article 95 of the EEC Treaty.

If the Portuguese Republic were to make use of that authority, the element possibly not covered by the internal tax shall be the base tariff stipulated in Article 189. This element shall be abolished in the trade exchanges with the Community and in the adjustment of the common customs tariff list to the ECSC unified customs list, pursuant to the timetable set by Articles 190 and 197.

#### Article 197

1. Keeping in view the progressive introduction of the common customs list and the unified customs list of the ECSC, the Portuguese Republic shall modify its customs list applicable to third countries in the following terms:

As of 1 March 1986, the Portuguese Republic shall apply a tariff which reduces the difference between the base tariff and that of the common customs tariff list or the unified ECSC customs tariff list by 10 percent.

As of 1 January 1987:

a) In the cases of customs tariff list items whose base tariffs are no different by 15 percent, more or less, than those of the common customs tariff list or unified ECSC list, the latter tariffs shall be applied to them.

b) In the remaining cases, the Portuguese Republic shall apply a tariff which reduces the difference between the base tariffs and the common customs tariff list or the unified ECSC customs tariff list according to the following calendar:



| Number of<br>common customs<br>list | Description of<br>Merchandise   | Customs tariffs   |   |
|-------------------------------------|---|---|---|
|                                     |   | Tax<br>Element  | Protective<br>Element   |
| 17.04                               | Confectioners products without cocoa:<br>A. Licorish extracts which contain<br>more than 10 percent saccharose<br>by weight without the addition<br>of other materials  | 5 escudos<br>per Kg   | 12 esc/kg   |
| 21.03                               | Mustard flour and prepared mustard:<br>A. Mustard flour<br>B. Prepared mustard  | 13%<br>13%  | 22%<br>22%  |
| 22.08                               | Undenatured ethyl alcohol with an<br>alcoholic proof equal or higher than<br>80% by volume; denatured ethyl<br>alcohol of any proof<br><br>B. Undenatured ethyl alcohol with<br>an alcoholic proof of 80% of higher<br>by volume<br><br>In containers of under 2 liters<br><br>In containers of over 2 liters   | 280 esc/100<br>liters of<br>pure al-<br>cohol<br><br>214 esc/100<br>liters of<br>pure alcohol | 2190 esc<br>per 100<br>liters of<br>pure al-<br>cohol<br><br>2256 esc<br>100 liters<br>of pure<br>alcohol |
| 24.02                               | Processed tobacco, extracts or<br>tobacco liquids ("praiss")<br><br>A. Cigarettes<br><br>ex B. Cigar and cigarettes:<br>wrapped in tobacco leaves<br><br>ex C. Smoking tobacco:<br>Shredded tobacco<br><br>ex D. Chewing tobacco and snuff:<br>Shredded tobacco<br><br>ex E. Other, including bunch tobacco<br>in form of leaves:<br>Shredded tobacco | 180 esc/kg<br><br>200 esc/kg<br><br>170 esc/kg<br><br>170 esc/kg<br><br>170 esc/kg            | exempt<br><br>exempt<br><br>exempt<br><br>exempt<br><br>exempt  |

1 January 1987, a reduction of 10 percent  
1 January 1988, a reduction of 15 percent  
1 January 1989, a reduction of 15 percent  
1 January 1990, a reduction of 10 percent  
1 January 1991, a reduction of 10 percent  
1 January 1992, a reduction of 15 percent

The Portuguese Republic shall use the common customs tariff list and the unified ECSC customs tariff list completely as of 1 January 1993.

2. As an exemption to the provisions of No 1 on the products listed in the Annex of the agreement relative to the sales of civilian aircraft concluded within the framework of trade negotiations of 1973-1979 of the General Agreement on Customs Tariff Lists and Trade, the Portuguese Republic shall use the common customs tariff list entirely as of 1 March 1986.

#### Article 198

The autonomous tariffs contained in the Community common customs tariff list are the autonomous tariffs of the Community in its present composition. The conventional tariffs of the EEC common customs tariff list and of the unified ECSC customs tariff list are the conventional tariffs of the EEC and the ECSC, with the exception of the adjustment that will be made to take into account the fact that the tariffs now effective in the Spanish and Portuguese customs lists are overall higher than the effective tariffs in the customs tariff lists of the EEC and ECSC in their present composition.

This adjustment, which shall be the object of negotiations within the framework of the General Agreement on Customs Tariffs Lists and Trade, must be maintained within the limits of the possibilities opened by Article XXIV of this agreement.

#### Article 199

1. Whenever the tariffs of the customs tariffs list of the Portuguese Republic are of a nature that is different than the corresponding tariffs of the common customs tariff list or that of the unified ECSC customs tariff list, the progressive adjustment of the former with respect to the latter two shall be accomplished by adding the elements of the Portuguese base tariff to those of the common customs tariff list or to that of the unified ECSC customs tariff list, progressively reducing to zero the Portuguese base tariff on the basis of the calendars stipulated in Article 197 and No 2 of Article 243, and beginning from zero tariff of the common customs tariff list or of the ECSC unified customs tariff list, so as to progressively reach, according to the same calendars, their final amount.

2. If as of March 1986 any tariffs of the common customs tariff list or the unified ECSC customs tariff list have been modified or suspended, the Portuguese Republic shall simultaneously modify or suspend its customs list in the proportions deriving from the application of Article 197.

3. The Portuguese Republic shall apply the nomenclature of the common customs tariff list or that of the ECSC unified customs tariff list as of 1 March 1986.

The Portuguese Republic may use in these nomenclatures those national subdivisions existing on the date of accession, which may be necessary, so that the progressive adjustment of its customs tariffs with respect to those of the common customs tariff list and those of the ECSC unified customs tariff list may be realized under the terms of the present Act.

In case of a change in the nomenclature of the common customs tariff list or that of the ECSC unified customs tariff list for the products referred to in the present Act, the Council, deciding by a qualified majority, at the proposal of the Commission, may change the nomenclature of those products as is stipulated in the present Act.

4. Having as an objective the application of No 3, and to facilitate the progressive introduction by the Portuguese Republic of the common customs tariff list and the ECSC unified customs tariff list, and the progressive abolishment of the customs tariffs between the Community in its present composition and the Portuguese Republic, the Commission shall decide, if necessary, the rules for the application of the agreement through which the Portuguese Republic shall change its customs tariffs, without these rules meaning any change in Articles 189 and 197.

5. The rates of the tariffs calculated under the terms of Article 197 are applied by rounding off to the first decimal place.

Whenever Portuguese tariffs approach those of the common customs tariff list or that of the ECSC unified customs tariff list, those roundings off are made by disregarding the second decimal place. In the other cases, they are made by applying the next higher decimal place.

#### Article 200

1. With respect to the products for industrial purposes contained in the list included in Annex XVII, the base tariffs on the basis of which the adjustments must be made relative to the common customs tariff list or the ECSC unified customs tariff list are those tariffs resulting from the application by the Portuguese Republic of the customs tariff list exemptions (total suspensions) and the customs tariff list reductions (partial suspensions) on 1 January 1985.

2. As of 1 March 1986, the Portuguese Republic shall apply a tariff which will reduce the difference between the base tariffs referred to in No 1 and the tariffs of the common customs tariff list or those of the ECSC unified customs tariff list according to the calendar stipulated in Article 197.

3. The Portuguese Republic may waive the customs tariff list more rapidly.

4. As of the time of accession, the Portuguese Republic shall not apply any residual customs tariff to the products under discussion imported from the Community in its present composition, and no tariff shall be introduced on these products with respect to the Community.

5. As of the time of accession, the Portuguese Republic shall apply the progressively adjusted exemptions and customs tariff list reductions of the common customs tariff list and the ECSC unified customs tariff list indiscriminately.

#### Article 201

The Portuguese Republic maintains the authority to freely modify its customs tariffs more rapidly than that which is stipulated in Article 197, keeping in mind the alignment of its list with the common customs tariff list and the ECSC unified customs tariff list. The Portuguese Republic shall inform the other member states and the Commission of that fact.

#### Section II: Elimination of Quantitative Restrictions and Measures of Equivalent Effect.

#### Article 202

The quantitative restrictions to importing and exporting shall be abolished as of January 1986, as will all measures of equivalent effect existing between the Community in its present composition and Portugal.

#### Article 203

In derogation of the provisions of Article 202, the present member states and the Portuguese Republic may maintain restrictions on exporting of scrap iron and wastes (including those from projects) of cast iron, soft iron or steel, carrying item number 73.03 of the common customs tariff list, in their reciprocal trade exchanges.

This system may be maintained until 31 December 1988 in that which has to do with exports by the member states of the Community in its present composition to Portugal, and until 31 December 1990 in that which has to do with the exports from Portugal to the present member states, providing the system is not more restrictive than that which is applied to exports to third countries.

#### Article 204

In derogation of the provisions of Article 202, and until 31 December 1988, the Portuguese Republic may continue to require the prior registration of the products not covered by Annex II of the EEC Treaty and the products that are the object of the ECSC Treaty, in imports and exports for strictly statistical purposes.

2. The bulletin of registration shall be automatically issued in a period of 5 working days after the presentation of the request. If after that time has passed the bulletin has not been issued, the merchandise concerned may be freely imported and exported.

3. As of the time of accession, the requirement for any prior registration by the importer or exporter shall be abolished.

#### Article 205

In derogation of the provisions of Article 202, the Portuguese Republic shall cancel the discriminatory difference existing between the rate of reimbursement practiced by the social security institutions with respect to medications manufactured in Portugal and the rates of reimbursement with respect to medications imported from the present member states. This action shall take place in three annual phases of equal amounts to become effective on the following dates:

1 January 1987;  
1 January 1988;  
1 January 1989.

#### Article 206

In derogation of the provisions of Article 202, trade exchanges of certain textile products between Portugal and other member states of the community shall be applied to the system established in Protocol No 17.

#### Article 207

In derogation of the provisions of Article 202, the Portuguese Republic is authorized to maintain quantitative restrictions on imports of automotive vehicles referred to in Protocol No 18 from the other member states within the limites of the system of quotas of imports described in this protocol.

#### Article 208

1. With prejudice to the provisions of No 2 of the present article, the Portuguese Republic shall progressively adapt the national monopolies of a commercial nature to the acceptance of No 1 of Article 37 of the EEC treaty as of 1 January 1986, so that before 1 January 1993 the exclusion is assured of all and any discrimination among the national monopolies of the state members with respect to supplies and sales.

The present member states assume similar obligations with respect to the Portuguese Republic.

The Commission shall make recommendations relative to the methods and timetable according to which the adaptation stipulated in the present numbered section shall be accomplished, it being understood that these methods and timetable should be the same for the Portuguese Republic and the present member states.



2. With respect to gasoline for automobiles, petroleum used for lighting, gasoil and fuel oil, of sub items 27.10 A.III, 27.10 B.III, 27.10 C.I and 27. 10 C.II of the common customs tariff list, the adaptation of the exclusive right to sell begins as of the date accession becomes effective. The sales quotas existing in Portugal and authorized to the present beneficiary corporations, with the exception of the public corporation PETROGAL, shall be abolished on 1 January 1986. The total opening of the markets on this product must be concluded on 31 December 1992.

The Commission shall make its recommendations for the adaptations relative to the accomplishment of this opening, taking as a starting point the lowest part of the annual market per product held by the public corporation PETROGAL during the period between 1 January 1981 and 31 December 1985.

As of the effective date of accession, the Portuguese Republic shall open for each of the products under discussion, a quota equal to all the sales quotas given to the corporations prior to that date, with the exclusion of PETROGAL. This allotment shall be progressively increased from the released quantities pursuant to the recommendations of the Commission.

#### Article 209

1. In derogation of the provisions of Article 202, the owner, or his legal substitute, of a patent for a chemical, pharmaceutical, food, or health product registered in a member state in a period in which the patent for the product would not be obtained in Portugal for that same product, may invoke the right granted him by such patent to prevent the import or sale of that product in the present member state or states in which the product is protected by a patent, even when the aforementioned product had been sold for the first time in Portugal by the owner himself or with his permission.

2. This right may be invoked for the products referred to in No 1 up to 3 years after the introduction by Portugal of the possibility of patenting such products.

#### Section III--Other Provisions

#### Article 210

1. The Commission shall determine, taking into due consideration the provisions in effect, specifically those having to do with community movements, those methods of administrative cooperation aimed at insuring that as of 1 March 1986 the merchandise which fills the conditions required shall be benefitted by the elimination of customs duties or equivalent charges, as well as of quantitative restrictions and equivalent effect measures stipulated in the present Act.

2. Up through 28 February 1986, the provisions of the 1972 Agreement between the EEC and the Portuguese Republic, as well as the subsequent protocols relative to the customs system, will continue to apply to trade exchanges between the Community in its present composition and Portugal.

3. The Commission shall determine the provisions that will apply as of 1 March 1986 to the trade exchanges in the Community of the merchandise obtained in the Community in whose fabrication may have been used the following:

products that have not been subjected to customs duties or equivalent effect charges, which were applicable to them in the Community in its present composition or in Portugal, or which had benefitted from the total or partial drawback of those tariffs or surcharges;

agricultural products which do not meet the conditions required for being admitted to free movement in the Community in its present composition or in Portugal.

In adopting these provisions, the Commission shall take into consideration the rules stipulated in the present Act for the elimination of customs duties between the Community in its present composition and Portugal, and for the progressive application by the Portuguese Republic of the common customs tariff list and the provisions in matters of common agricultural policy.

#### Article 211

1. Except for provisions to the contrary of the present Act, the provisions in force in matters of customs legislation relative to trade exchanges with third countries shall be applicable to trade exchanges within the Community under the same conditions, providing customs duties were charged in those exchanges.

For the determination of the customs values in trade exchanges in the Community, as well as in trade exchanges with third countries up to:

31 December 1992 for industrial products, and

31 December 1995 for agricultural products,

the customs territory to be taken into consideration is that established in the provisions existing in the Community and the Portuguese Republic on 31 December 1985.

2. As of March 1986, the Portuguese Republic shall use the nomenclature of the common customs tariff list and the unified ECSC customs tariff list in trade exchanges in the Community.

The Portuguese Republic may use in those nomenclatures the national subdivisions existing on the date of accession which may be necessary for the progressive elimination of its customs duties in the Community under the conditions stipulated in the present Act.

#### Article 212

During a period of 5 years as of the date of its accession, the Portuguese Republic shall conclude the reorganization of its iron and steel industry under the conditions established in Protocol No 20.

The period referred to above may be shortened and the methods stipulated in the aforementioned protocol may be changed by the Commission after a favorable opinion by the Council in terms:

of the state of advancement of the Portuguese reorganization plan, taking into consideration the significant elements of the reestablishment of the viability of the enterprise;

of the iron and steel measures which were in effect in the Community after the accession. In this case, the system applicable, after accession, to Portuguese supplies to the Community in its present composition must not lead to fundamental differences of treatment between Portugal and the member states.

#### Article 213

1. In case the compensatory amounts referred to in Article 240 or the compensatory mechanism referred to in Article 270 are applied in the exchanges between the Community in its present composition and the Portuguese Republic to one or more base products considered as having entered into the fabrication of merchandise which is the object of (EEC) Regulation No 3033/80 of the Council, dated 11 November 1980, which decides the system of trade exchanges applicable to certain merchandise resulting from the transformation of agricultural products, the following transitory measures are applied:

a compensatory amount, calculated on the bases of the compensatory amounts referred to in Article 240 or of the compensatory mechanism referred to in Article 270, and pursuant to the rules stipulated by (EEC), Regulation No 3033/80 for the calculation of the mobile element applicable to merchandise which is the object of this regulation, shall be applied to the imports by the Community in its present composition of the aforementioned merchandise coming from Portugal;

when the merchandise, which is the object of (EEC) Regulation 3033/80, is imported by Portugal from third countries, the movable element fixed by this regulation shall be increased or diminished, depending on the case, with respect to the compensatory amount referred to in the first section;

a compensatory amount, determined on the basis of the compensatory amounts referred to in Article 240 or in the compensatory mechanism referred to in Article 270, established for basic products, and pursuant to the rules applicable to the calculation of restitutions stipulated by (EEC) Regulation 3035/80 of the Council of 11 November 1980, which establishes for certain agricultural products exported in the form of merchandise which is not the object of Annex II of the Treaty, the general rules relative to the granting of restitutions to exportation and the criteria for establishing that amount, shall be applied in the case of merchandise which is the object of that regulation, to the exports of the merchandise to Portugal from the Community in its present composition;

when the products which are the object of (EEC) Regulation No 3035/80 are exported from the Portuguese Republic to third countries, they shall be subjected to the compensatory amount referred to in the third section.

2. The customs duty, which constitutes the fixed element of the applicable imposition on the date of accession, on imports into Portugal from the Community in its present composition of merchandise which is the object of (EEC) Regulation No 3033/80, shall be determined by deducting from the base customs duty applied by the Portuguese Republic to the products originating in the Community in its present composition, a movable element equal to the movable element established in the application of (EEC) Regulation No 3033/80, increased or diminished, depending on the case, for the compensatory amount referred to in the first and third sections.

However, if with respect to the products referred to in Annex XIX, the customs duty which constitutes the fixed element of imposition, calculated pursuant to the provisions of the foregoing paragraph, were less than the duties indicated in that annex, the latter shall be applied.

3. The customs duty which constitutes the fixed element of imposition applicable on the date of accession to imports into Portugal of merchandise from third countries, which is the object of (EEC) Regulation No 3033/80, shall be equal to the highest of the two amounts determined in the following manner:

the amount obtained by deducting from the base customs duty applied by the Portuguese Republic to imports coming from third countries, a movable element equal to the movable element established in the application of (EEC) Regulation No 3033/80, increased or subtracted, depending on the case, from the compensatory amount referred to in the first and third sections of No. 1.

the amount obtained by adding the fixed element applicable to imports to Portugal from the Community in its present composition, to the fixed element of the common customs tariff list (or with respect to third countries who benefit from the community system of generalized preferences, to the preferential fixed element which the Community applies, if such were the case, to imports coming from those countries).

4. In derogation of Article 199, customs duties applied by the Portuguese to imports from the Community and from third countries shall be converted on the date of accession, into the type of duty and the units contained in the common customs tariffs list. This conversion shall be accomplished on the basis of the value of the merchandise imported by Portugal during the course of the last four quarters on which information is available, or in the case of Portugal, if it does not import the merchandise under discussion, on the basis of the unit value of that same merchandise imported into the Community in its present composition.

5. Each fixed element applied in the exchanges between the Community in its present composition and the Portuguese Republic shall be eliminated under the terms of Article 190.

Each fixed element applied by the Portuguese Republic on imports from third countries shall be close to the fixed element of the common customs tariff list (or if such were the case, to the fixed preferential element stipulated by the community system of generalized preferences) under the terms of Articles 197 and 201.

6. In the case a reduction of the movable element of the common customs tariff list is granted to third countries, who benefit from the community system of generalized preferences, the Portuguese Republic shall apply that movable preferential element as of the date it begins during the course of the first year of the second phase of the system of transition to the application of the rules of the second phase for the basic products whose harvest begins last.

#### Section IV--Trade Exchanges Between the Portuguese Republic and the Spanish State

##### Article 214

The Portuguese Republic shall apply Articles 189 and 213 in its trade exchanges with the Spanish State without prejudice to the conditions established in Protocol No 3.

#### Chapter 2--Free Movement of Persons, Services and Capital

##### Section I--The Workers

##### Article 215

Article 48 of the EEC Treaty is only applicable in that which has to do with free movement of workers between Portugal and the other member states, with the restrictions contained in the transitory provisions stipulated in Articles 216 and 219 of the present Act.

##### Article 216

1. Articles 1 and 6 of (EEC) Regulation No 1612/68 relative to the free movement of workers in the Community, are only applicable in Portugal with respect to nationals of the other member states and in the other member states with respect to Portuguese nationals, as of 1 January 1993.

The Portuguese Republic and the other member states have the authority to keep in effect until 31 December 1992 their respective national provisions having to do with nationals of other member states and Portuguese nationals or those provisions resulting from bilateral agreements, which make immigration for the purpose of performing work for wages or employment for salary subject to prior authorization.



However, the Portuguese Republic and the Grand Duchy of Luxembourg have the authority to maintain in effect until 31 December 1995 the national provisions referred to in the foregoing paragraph and which were in effect as of the signing of the present Act, respectively, in that which has to do with nationals of Luxembourg and Portugal.

2. As of 1 January 1991, the Council, on the bases of the report of the Commission, shall proceed to examine the result of the application of the measures of derogation referred to in No 1.

At the end of that examination, the Council, by unanimous decision, at the proposal of the Commission, on the basis of new data, may adopt decisions destined to adapt the aforementioned measures.

#### Article 217

1. Until 31 December 1990, Article 11 of (EEC) Regulation No 1612/68 is applicable in Portugal with respect to nationals from the other member states and in other member states with respect to Portuguese nationals, under the following conditions.

a) The relatives of a worker referred to in Number 1, line a) of Article 10 of the aforementioned regulation, legally living with him in the territory of a member state on the date of the signing of the present Act, have the right, as of accession, to have access to each and every salaried activity in the entire territory of that member state;

b) the relatives of a worker, referred to in Number 1 line a) of Article 10 of the aforementioned regulation, legally living with him in the territory of a member state after the date of the signing of the present Act, have the right to access to each and every salaried activity, providing they have lived there for at least 3 years. This period of residence shall be reduced to 18 months after 1 January 1989.

The provisions of the present number do not prejudice the national provisions or those resulting from more favorable bilateral agreements.

2. The provisions stipulated in No 1 are also applicable to the relatives of the independent worker living with him in a member state.

#### Article 218

In the degree to which certain provisions of Directive 68/360/EEC, relative to the suppression of restrictions on the movements and remaining of workers and their families of member states in the Community are inseparable from the provisions of EEC Regulation No 1612/68, whose application is postponed by Article 216, the Portuguese Republic on one hand, and the other member states, on the other, have the authority to derogate those provisions, providing that it is necessary for the application of the provisions of Article 216, which derogate the aforementioned regulation.



## Article 219

The Portuguese Republic and the other member states shall take, with the help of the Commission, the measures necessary so that the Decision of the Commission of 8 December 1972 relative to the standardized system established in the application of Article 15 of EEC Regulation No 1612/68, system called "SEDOC", and the 14 December 1972 Commission decision relative to the collection and publication of information stipulated in No 3 of Article 14 of EEC Regulation No 1612/68 of the Council, shall be made applicable to Portugal no later than 1 January 1993.

## Article 220

1. Until the uniform solution goes into effect for all the member states, as mentioned in Article 99 of the (EEC) Regulation No 1408/71 relative to the application of the systems of social security to all salaried workers, unsalaried workers, and their relatives who may travel in the Community, and no later than 31 December 1988, nos 1 and 3 of Article 73; no 1 of Article 73; no 1 of Article 75 of (EEC) Regulation No 1408/71, as well as Article 86 and 88 of (EEC) Regulation No 574/72, which established the methods for the application of (EEC) Regulation No 1408/71, are not applicable to Portuguese workers who perform a work activity in a member state, with the exception of Portugal and whose relatives live in Portugal.

No 2 of Article 72, no 2 of Article 74 and no 2 of Article 75 of (EEC) and no 9 of Article 94 of (EEC) Regulation No 1408/71, as well as Article 87, 89, 98 and 120 of (EE) Regulation No 574/72, are applicable by analogy to these workers.

However, there is no prejudice to the provisions of the legislation of any member state who stipulate that family allowances are owed to relatives of workers regardless of the country in which they may live.

2. Article 6 of (EEC) Regulation No 1408/71 notwithstanding, the following provisions of the conventions on social security continue to be applicable to Portuguese workers during the period referred to in No 1:

### a) Portugal-Belgium

No 2 of Article 28 of the General Convention of 14 September 1970;

Articles 57, 58 and 59 of the Administrative Agreement of 14 September 1970;

### b) Portugal-Germany

Nos 1, 2 and 3 of Article 27 of the 6 November 1964 Convention, with the version given by Article 1 of the Complementary Agreement of 30 September 1974;

c) Portugal-Spain

Articles 23 and 24 of the General Convention of 11 June 1969;

Articles 45 and 46 of the Administrative Agreement of 22 May 1970;

d) Portugal-Luxembourg

Article 23 of the 12 February 1965 Convention, with the version given by Article 13 of the Second Complementary Agreement of 20 May 1977;

Article 15 of the Second Complementary Agreement of 21 May 1979 to the General Administrative Agreement of 20 October 1966;

e) Portugal-Netherlands

No 2 of Article 33 of the 19 July 1979 Convention;

Articles 36 and 37 of the 9 May 1980 Administrative Accord.

Section II--The Right of Settlement, Services, Movements of Capital and Transactions in Invisible Items of Trade

Article 221

The Portuguese Republic may maintain restrictions on the right of establishment and the free provision of services:

until 31 December 1988 on activities of travel and tourist agencies;  
until 31 December 1990 on activities of the moving picture sector.

Article 222

1. Until 31 December 1989, the Portuguese Republic may maintain a system of prior authorization for direct investments, in the acceptations of the First Directive of the 11 May 1960 Council for the execution of Article 67 of the EEC Treaty, altered and complemented by the Second Directive 63/21/EEC of the 18 December 1962 Council and by the Act of Accession of 1972, by nationals of other member states having to do with the exercise of the right of settlement and free provision of services, and whose overall value exceeds the following amounts respectively:

during 1986, 1.5 million ECU;  
during 1987, 1.8 million ECU;  
during 1988, 2.1 million ECU;  
during 1989, 2.4 million ECU.

2. The foregoing number does not apply to direct investments having to do with the sector of credit establishments.

3. For all proposed investments submitted for prior authorization pursuant to No 1, Portuguese authorities must issue a decision no later than 2 months after the request is presented. If this is not done within the period indicated, the proposed investment may be considered approved.

4. Investors referred to in No 1 may not be discriminated against among themselves nor may they receive a treatment less favorable than that granted to nationals of third countries.

#### Article 223

1. The Portuguese Republic may postpone, under the conditions and periods indicated in Articles 224 and 229, the release of movements of capital enumerated in lists A and B of the First Directive of the 11 May 1960 Council for the execution of Article 67 of the EEC Treaty and the Second Directive of the 18 December 1962 Council, which complements and alters the First Directive for the execution of Article 67 of the EEC Treaty.

2. The Portuguese authorities and the Commission shall proceed, within a useful time, to suitable consultations on the methods of application of release measures and of flexibility, whose execution may be postponed by the force of subsequent provisions.

#### Article 224

The Portuguese Republic may postpone the release of direct investments made in the other member states by residents in Portugal until 31 December 1992.

#### Article 225

1. The Portuguese Republic may postpone until 31 December 1990, the release of transfers relative to the purchase in Portugal by residents in the other member states, of buildings built and devoted to housing, as well as of land already affected by agricultural activities or classified as agricultural land by Portuguese legislation as of the date of membership.

2. The temporary derogation referred to in No 1 does not apply:

to the resident in the other member states included in the category of those who emigrate within the framework of the free movement of salaried and nonsalaried workers;

purchases referred to in No 1 having to do with the exercise of the right of establishment by nonsalaried workers residents in other member states who emigrate to Portugal.

#### Article 226

1. The Portuguese Republic may maintain until 31 December 1990, and under the conditions established in No 2, restrictions on the transfer of the results of the liquidation of investments made in Portugal by residents in the other member states.

2. a) The transfers of the results of a liquidation shall be released respectively:

as of 1 January 1986, up to the sum of 100,000 ECU;  
as of 1 January 1987, up to the sum of 120,000 ECU;  
as of 1 January 1988, up to the sum of 140,000 ECU;  
as of 1 January 1989, up to the sum of 160,000 ECU;  
as of 1 January 1990, up to the sum of 180,000 ECU.

b) In case of a liquidation which exceeds the amount indicated in line a), the transfer of the difference shall be released in five equal annual fractions, the first at the time of the request for the transfer of the product of the liquidation, and the other four in the following 4 years.

3. During the period of application of this transitory measure, the general or special facilities with respect to the free transfer of the product of the liquidation of real estate investments as defined in No 1 and those facilities existing by force of Portuguese provisions or conventions which regulate relations between the Portuguese Republic and any member state or third country, shall be maintained and applied in a nondiscriminatory manner with respect to all the other member states.

#### Article 227

The Portuguese Republic may postpone until 31 December 1992 the release of transfers relative to real estate investments in any other member state:

by residents in Portugal not included in the category of those within the framework of the free movement of salaried and nonsalaried workers;

by nonsalaried workers residents in Portugal who emigrate, providing that the investments in question are not connected with their settlement.

#### Article 228

1. The Portuguese Republic may maintain, until 31 December 1990, and under the conditions established in No 2, restrictions on the operations indicated under heading X, points B, C, D, F and H of list A attached to the directives referred to in Article 223 and having to do with the other member states.

2. On 1 January 1986, transfers shall be released up to the amount of 25,000 escudos for operations consisting of points C, D and F, and 10,000

escudos for the operations consisting of points B, E and H. Each of these amounts is established respectively:

on 1 January 1987, at 30,000 and 12,000 ECU;  
on 1 January 1988, at 35,000 and 14,000 ECU;  
on 1 January 1989, at 40,000 and 16,000 ECU;  
on 1 January 1990, at 45,000 and 18,000 ECU.

#### Article 229

The Portuguese Republic may postpone until 31 December 1990 the release of operations contained in points B 1 and 3 of heading IV of List B attached to the directives referred to in Article 223 and accomplished by residents in Portugal.

However, the operations on bonds issued by the European Communities and the European Investment Bank by residents in Portugal shall be the object of a progressive release during this period as follows:

as of 1 January 1986 the maximum limit for release for subscriptions of those bonds is fixed at 15 million ECU;  
as of 1 January 1987, this maximum limit is fixed at 18 million ECU;  
as of 1 January 1988 this maximum limit is fixed at 21 million ECU;  
as of 1 January 1989 this maximum limit is fixed at 24 million ECU;  
as of 1 January 1990 this maximum limit is fixed at 27 million ECU.

#### Article 230

1. The Portuguese Republic may maintain up until 31 December 1990, and under the conditions indicated in No 2, the restrictions on transfers having to do with tourism.

2. Annual authorization per person for the purchase of foreign exchange for tourist reasons may not be less than:

500 escudos for 1986;  
600 escudos for 1987;  
700 escudos for 1988;  
800 escudos for 1989;  
900 escudos for 1990.

#### Article 231

The Portuguese Republic shall accomplish, if circumstances permit, the release of the movements of capital and transactions on invisible items of trade stipulated in Articles 224 and 230 before the terms fixed in those articles.



## Article 232

For the purposes of the application of Articles 223 and 231, the Commission may proceed to consult the Monetary Committee and submit all useful proposals to the Council.

## Chapter 3--Agriculture

### Section I--General Provisions

## Article 233

1. The present chapter has to do with agricultural products, with the exception of the products that are the object of (EEC) Regulation No 3796/81, established by the common market organization in the sector of fishing products.
2. Except for provisions to the contrary in the present chapter, the rules contained in the present Act are applicable to the agricultural products referred to in no 1.
3. Without prejudice to the special provisions of the present chapter, which stipulate different dates or periods, the application of transitory measures with respect to the agricultural products referred to in no 1 ends at the end of 1995.

## Article 234

1. The application of the community regulations to products covered by the present chapter shall be accomplished pursuant to a "traditional" transition, or a transition "by phases," whose general rules are defined respectively in Sections II and III of the specific rules, depending on the sectors of products in sections IV and V.
2. Except for provisions to the contrary in specific cases, the Council, deciding by a qualified majority, under proposal of the Commission, shall adopt the provisions necessary for the execution of the dispositions of the present article.

These dispositions may specifically contain the measures needed for preventing deviations in the movement of trade exchanges between Portugal and the other member states.

3. The council, deciding by unanimity, under the proposal of the Commission, and after consultation with the Assembly, may adopt the adaptations of the rules contained in the present chapter which may become necessary as a result of a change in the community regulations.

## Section II--Traditional Transition

### Subsection I--Framework of Application

#### Article 235

All agricultural products referred to in Article 233, with the exception of those referred to in Article 259, are subject to the provisions of the present section.

### Subsection 2--Approximation and Compensation of Prices

#### Article 236

Until the first of the approximations of prices referred to in Article 238, the prices to be applied in Portugal shall be established according to the rules stipulated in the common market organization for the sector under discussion at a level which corresponds to the prices established in Portugal under the previous national system for a representative period to be determined for each product.

However, if from the application of the foregoing paragraph there results the establishment of Portuguese prices at a level higher than common prices, the level to be taken into consideration for the fixing of Portuguese prices is that of the prices fixed in Portugal under the previous national system for the season of 1985/1986, converted by means of a conversion rate in escudos existing at the time of the beginning of the sales season of the product under consideration.

If there is no defined Portuguese price for a certain product, the price to be applied in Portugal shall be fixed in terms of the prices actually confirmed in the Portuguese market during a representative period to be determined.

However, if there are no figures on prices in certain products in the Portuguese market, the price to be applied in Portugal shall be calculated on the basis of prices existing in the Community in its present composition for the products or groups of similar products, or those with which they may compete.

#### Article 237

1. In the case that on the date of accession it is confirmed that the difference between the price level of a product in Portugal and the common price is minimal, the common price may be applied in Portugal for the product under consideration.

2. The difference referred to in no 1 is considered minimal when it is less, or equal, to 3 percent of the common price.

## Article 238

1. If from the application of Article 236 a level of prices different than that of the common prices were to result in Portugal, the prices which in Section IV are referred back to the present article shall be approximated, without prejudice to the provisions contained in no 4, to the common prices annually at the beginning of the sales season under the terms of nos 2 and 3.

2. If with relation to a product, the price in Portugal were lower than the common price, the approximation shall be accomplished in seven phases, with the price in Portugal raised in the first six approximations at the successive rates of one-seventh, one-sixth, one-fifth, one-fourth, one-third and one-half the difference existing between the level of the price in that member state and the level of the common prices applicable before each approximation. The price resulting from that calculation shall be increased or diminished proportionately by the possible increase or decrease of the common price for the following season. In the seventh approximation, the common price shall be applied in Portugal.

3. a) In case the price for a product is higher in Portugal than the common price, the price in this member state shall be maintained at the level resulting from the application of Article 236, the approximation then resulting from the changes in common prices during the seven years following accession.

However, the price in Portugal shall be adapted in the degree necessary to avoid an increase in the difference between that price and the common price.

Moreover, if Portuguese prices expressed in escudos established by the previous national system for the 1985/1986 season were to lead to exceeding the difference existing for the 1984/1985 season between Portuguese prices and common prices, the price in Portugal resulting from the application of the two foregoing paragraphs shall be decreased by an amount to be determined equivalent to a part of the excess in such a way that the excess will be completely reabsorbed no later than the beginning of the fifth sales season following accession.

Without prejudice to the provisions of line b) which follows, the common price shall be applied in Portugal at the time of the seventh approximation.

b) At the end of the fifth year after accession, the Council shall make an analysis of the progress of the approximation of prices. For this purpose the Commission shall transmit to the Council, within the framework of the reports referred to in No 2, line c) of Article 264, an opinion accompanied by the suitable proposals, if required.

If from that analysis it results:

that the difference between Portuguese prices and common prices is too great to be reabsorbed during the period of time left for the approximation of prices referred to in no 2, but that it seems, nevertheless, that it can be overcome in a limited period, the time for the approximation of prices initially stipulated may be extended. In that case the prices shall be maintained at their previous levels under the terms of line a);

that the difference between Portuguese prices and common prices is too large to be quickly overcome exclusively by an extension of the period of approximation of prices initially stipulated, it may be decided that in addition to that extension the approximation will be accomplished by means of a progressive lowering of Portuguese prices expressed in real terms, accompanied if necessary by indirect, temporary and degressive help in order to ameliorate the effect of the degressiveness of those prices. Financing of that help shall be supported by the Portuguese budget.

The Council, deciding by a qualified majority, under the proposal of the Commission, and after consultation with the Assembly, shall adopt the measures referred to in the foregoing paragraph.

4. In order to insure the harmonious operation of the process of integration, it may be decided that in derogation of the provisions of No 2, the price of one or several products for Portugal be separated for one season from the prices resulting from the application of that number.

That difference may not exceed 10 percent of the amount of the modification of prices to be made.

In this case, the level of prices for the following season is that which had resulted from the application of no 2, if the difference had not been decided. However, for this season, a new difference with respect to that level in the terms of the first and second paragraphs, may be decided.

The derogation stipulated in the first paragraph does not apply to the last approximation referred to in no 2.

#### Article 239

If at the date of accession, or during the period of the application of transitory measures, the price on the world market for a certain product exceeds the common price, the common price may be applied in Portugal for the product in question, except if the price in Portugal were higher than the common price.

#### Article 240

The differences in the levels of prices in relation to those which in Section IV refer back to the present article, shall be compensated for in the following way:

1. For the products whose prices are fixed in the terms of Articles 236 and 238, the applicable compensatory amounts in trade exchanges between the Community in its present composition and Portugal, and between Portugal and third countries, shall be equal to the difference existing between the prices fixed for Portugal and common prices.

However, the compensatory amount established in the terms of the above mentioned rules shall be, if necessary, corrected by the incidence of national help which the Portuguese Republic is authorized to maintain pursuant to Articles 247 and 248.

2. No compensatory amount shall be fixed if a minimum amount results from the application of No 1.

3. a) In trade exchanges between Portugal and the Community in its present composition, compensatory amounts shall be charged by the importing state, or granted by the exporting state.

b) In trade exchanges between Portugal and third countries, **equalizing** duties or other impositions on imports applied within the framework of common agriculture, as well as restitutions to exports, except by express derogation, depending on the case, shall be added or subtracted from applicable compensatory amounts in trade exchanges with the Community in its present composition.

However, customs duties may not be subtracted from the compensatory amount.

4. For the products for which the common customs tariff list is found consolidated within the framework of the General Agreement on Tariffs and Trade [GATT], such consolidation shall be taken into consideration.

5. The compensatory amount charged or granted by a member state under the terms of no 1 may not be greater than the total amount charged by that member state for the imports coming from third countries which benefit from the most favored nation clause.

The Council deciding by a qualified majority, under the proposal of the Commission, may derogate this rule, specifically to prevent deviations of movement and distortions of competition.

6. The Council, deciding by a qualified majority, under proposal of the Commission, may derogate, in the degree necessary for the good operation of the common agricultural policy, the dispositions of no 1, first paragraph, of Article 211 having to do with products to which compensatory amounts are applied.



## Article 241

When with respect to a product, the price on the world market is higher than the price taken into consideration for the calculation of the imposition on imports instituted within the framework of the common agricultural policy, decreasing the compensatory amount which is deducted from the imposition on imports under the terms of Article 240, or when restitution to exports to third countries is lower than the compensatory amount, or even if no restitution is applicable, suitable measures may be taken to insure the good operation of the common market organizations.

## Article 242

1. The compensatory amounts granted shall be financed by the Community by means of the European Agriculture Guidance and Guarantee Fund [ FEOGA ], Guarantee Section.

2. Expenditures to be undertaken by the Portuguese Republic in matters of intervention in its domestic market and the granting of restitutions or subsidies to exports to third countries and to other member states, shall continue to be national expenditures up to the end of the first phase, with respect to the products referred to in Article 259.

Beginning with the second phase, expenditures in matters of intervention in the Portuguese domestic market and the granting of restitutions to exports to third countries shall be financed by the Community through the FEOGA, Guarantee Section.

## Subsection 3--Free Movement and Customs Union

## Article 243

On the products coming from third countries, whose importing into the Community in its present composition is subject to the application of customs duties, the following provisions apply:

1. a) Without prejudice to No 4, imports customs duties in the Community in its present composition relative to products coming from Portugal shall be progressively suppressed pursuant to the following calendar:

on 1 March 1986 each duty shall be reduced to 85.7 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 71.4 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 51.1 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 42.8 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 28.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 14.2 percent of the base duty;  
on 1 January 1992 all duties shall be abolished.

However,

with respect to orchids, the arums, the strelitzia and proteas classified under item ex 06.03 A of the common customs tariff list,

with respect to preparations or preserves made of tomatoes classified under item 20.02 C of the common customs tariff list,

the Community in its present composition shall reduce its base duties by fractions of 20 percent consecutively on the following dates:

on 1 March 1986  
on 1 January 1987  
on 1 January 1988  
on 1 January 1989  
on 1 January 1990.

b) Without prejudice to No 4, import customs duties in Portugal on products which come from the present Community, shall be progressively abolished pursuant to the following schedule:

on 1 March 1986 each duty shall be reduced to 87.5 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 75 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 62.5 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 50 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 37.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 25 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 12.5 percent of the base duty;  
on 1 January 1993 all duties shall be abolished.

c) Without prejudice to No 4, and in derogation of the provisions of the foregoing lines a) and b), relative to oleaginous seeds and fruits and the products deriving from them that are the object of Regulation No 136/66 EEC, with the exception of vegetable oils other than olive oil destined for human consumption, import customs duties shall be progressively suppressed between the Community in its present composition and Portugal pursuant to the following schedule:

on 1 March 1986 each duty shall be reduced to 90.9 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 81.8 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 72.7 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 63.6 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 54.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 45.4 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 36.3 percent of the base duty;  
on 1 January 1993 each duty shall be reduced to 27.2 percent of the base duty;  
on 1 January 1994 each duty shall be reduced to 18.1 percent of the base duty;  
on 1 January 1995 each duty shall be reduced to 9 percent of the base duty;  
on 1 January 1996 all duties shall be abolished.

d) Without prejudice to No 4, with respect to vegetable oils other than olive oil that are destined for human consumption, the Community in its present composition and the Portuguese Republic shall apply, without alteration, the respective base duties during the period of application in Portugal of certain control mechanisms referred to in Article 292. At the end of that period, the base duties shall be progressively suppressed pursuant to the following schedule:

on 1 January 1991 each duty shall be reduced to 83.3 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 66.6 percent of the base duty;  
on 1 January 1993 each duty shall be reduced to 49.9 percent of the base duty;  
on 1 January 1994 each duty shall be reduced to 33.2 percent of the base duty;  
on 1 January 1995 each duty shall be reduced to 16.5 percent of the base duty;  
on 1 January 1996 all duties shall be abolished.

2. Keeping in mind the introduction of the common customs tariff list, the Portuguese Republic shall completely apply the duties of the common customs tariff list as of 1 March 1986 with the following exceptions:

a) Without prejudice to No 4, for the products referred to in Annex XX and for the products whose Portuguese base duties are higher than those of the common customs tariffs list, the Portuguese Republic, in order to progressively introduce the common customs tariff list, shall change its tariff list applicable to third countries in the following terms:

aa) For the customs tariff list items whose base duties differ no more than 15 percent from the common customs tariff list, the latter duties shall be applied to them;

bb) In the remaining cases, the Portuguese Republic shall apply a duty which shall reduce the difference between the base duties and the common customs tariff list in eight equal fractions of 12.5 percent on the following dates:

1 March 1986;  
1 January 1987;  
1 January 1988;  
1 January 1989;  
1 January 1990;  
1 January 1991;  
1 January 1992.

The Portuguese Republic shall apply the common customs tariff list in its entirety as of 1 January 1993.

b) Without prejudice to No 4 on the oleaginous seeds and fruits and their byproducts that are the object of Regulation no 136/66 EEC, with the exception of vegetable oils other than olive oil destined for human consumption, the Portuguese Republic, keeping in mind the progressive introduction of the common customs tariff list, shall change its customs tariff list on them applicable to third countries in the following terms:

aa) For the customs tariff list items on which base duties are not more than 15 percent different from those of the common customs tariff list, the latter duties shall be applied to them;

bb) In the remaining cases, the Portuguese Republic shall apply a duty that will reduce the difference between the base duty and the duties of the common customs tariff list pursuant to the following schedule:

on 1 March 1986 the difference shall be reduced to 90.9 percent of the initial difference;

on 1 January 1987 the difference shall be reduced to 81.8 percent of the initial difference;

on 1 January 1988 the difference shall be reduced to 72.7 percent of the initial difference;

on 1 January 1989 the difference shall be reduced to 63.6 percent of the initial difference;

on 1 January 1990 the difference shall be reduced to 54.5 percent of the initial difference.

on 1 January 1991 the difference shall be reduced to 45.4 percent of the initial difference;

on 1 January 1992 the difference shall be reduced to 36.3 percent of the initial difference;

on 1 January 1993 the difference shall be reduced to 27.2 percent of the initial difference;

on 1 January 1994 the difference shall be reduced to 18.1 percent of the initial difference;

on 1 January 1995 the difference shall be reduced to 9 percent of the initial difference;

the Portuguese Republic shall apply the common customs tariff list in its entirety as of 1 January 1996.

c) Without prejudice to No 4 on the vegetable oils other than olive oil destined for human consumption, with respect to which the Portuguese Republic applies its base duties without change during the period of application in Portugal of certain mechanisms of control referred to in Article 292, at the end of that period the Portuguese Republic shall change its tariff list applicable to third countries in the following terms:

aa) For customs list items whose base duties are no different from the duties of the common customs tariff list by more than 15 percent the latter duties shall be applied;

bb) in the remaining cases, the Portuguese Republic shall reduce the difference between the base duty and the common customs tariff list duty pursuant to the following schedule:

on 1 January 1991 the difference shall be reduced to 83.3 percent of the initial difference;

on 1 January 1992 the difference shall be reduced to 66.6 percent of the initial difference;

on 1 January 1993 the difference shall be reduced to 49.9 percent of the initial difference;  
on 1 January 1994 the difference shall be reduced to 33.2 percent of the initial difference;  
on 1 January 1995 the difference shall be reduced to 16.5 percent of the initial difference;  
the Portuguese Republic shall apply the common customs tariff list in its entirety as of 1 January 1996.

3. For the purposes of the provisions of Nos 1 and 2, the base duty is that defined in Article 189.

4. With respect to the products submitted to a common market organization, it may be decided, pursuant to the procedures stipulated in Article 38 of Regulation no 136/66 EEC or, depending on the case, on the pertinent articles of the other regulations which establish a common agricultural market organization, that:

a) the Portuguese Republic, upon its request, shall proceed to:

the suppression of the customs duties referred to in lines b), c) and d) of No 1, or to the approximation referred to in lines a), b) and c) of No 2 more rapidly than stipulated in them;

the total or partial suspension of the customs duties referred to in lines b), c) and d) of no 1, applicable to products imported from present member states;

the total or partial suspension of customs duties applicable to products imported from third countries referred to in lines a), b) and c) of No 2.

b) The Community in its present composition shall proceed:

to the suppression of the customs duties referred to in lines a), c) and d) of No 1 more rapidly than stipulated in them;

the total or partial suppression of the customs duties referred to in lines a), c), and d) of no 1, applicable to products from Portugal.

With respect to products not submitted to a common market organization:

a) There is no requirement for the Portuguese Republic to proceed to the application of the measures referred to in line a), first and second sections of the first paragraph of the present number; the Portuguese Republic shall inform the other member states and the Commission of the measures taken.



- b) The commission may totally or partially suppress the customs duties applicable to products imported from Portugal.

Customs duties resulting from an accelerated approximation or suspension may not be lower than those applied to imports of the same products from other member states.

#### Article 244

1. In trade exchanges between Portugal and the other member states, and between Portugal and third countries, the system applicable in the Community in its present composition in matters of customs duties, equivalent effect charges, quantitative restrictions and measures of equivalent effects, shall be applied in Portugal as of 1 March 1986, without prejudice to the provisions to the contrary of the present chapter for the products subjected to a common market organization, up until the date of accession.

2. With respect with the products which are not subjected to a common market organization on 1 March 1986, the suppression of charges of effects equivalent to customs duties and the quantitative restrictions and equivalent effect measures shall be suppressed on that date, except when such charges, restrictions and measures are an integral part of a national market organization in Portugal or another member state on the date of accession.

The provisions of the foregoing paragraph are only applicable until the beginning of operations of the common market organization for those products, no later than 31 December 1995, and only when it is strictly necessary to insure the maintenance of the national organization.

3. The Portuguese Republic shall apply the nomenclature of the common customs tariff list as of 1 March 1986.

The Council, deciding by a qualified majority, under the proposal of the Commission, may authorize the Portuguese Republic to use in this nomenclature the existing national subitems which may be indispensable for the progressive approximation to the common customs tariff list or the suppression of duties in the Community, to be accomplished under the terms of the present Act, providing that no difficulties result from it in the application of the Community regulations, particularly in the functioning of the common market organization and the transitory provisions stipulated in the present chapter.

#### Article 245

1. Up to 31 December 1992 the Portuguese Republic may apply quantitative restrictions on imports coming from third countries of the products referred to in Annex XXI.

2. a) The quantitative restrictions referred to in no 1 consist of annual quotas opened without discrimination among the economic operators.

b) The initial quota for each product in 1986, expressed depending on the case, by volume or in ECU's, is fixed :

either at 3 percent of the average of Portuguese annual production during the last 3 years prior to accession on which statistics are available; or at the average of Portuguese imports made during the last 3 years prior to accession on which statistics are available, if this last criterion leads to a higher volume or sum.

3. The progressive increase of quotas is of no less than 20 percent at the beginning of each with respect to the quotas expressed in value, and of no less than 15 percent at the beginning of each year with respect to the quotas expressed in volume.

The increase is added to each quota and the following increase is calculated on the basis of the total figure obtained.

4. Provided that imports made in Portugal during two consecutive years are less than 90 percent of the open annual quota, the quantitative restrictions effective in Portugal shall be abolished.

5. For the period between 1 March and 31 December 1986, the quota applicable is equal to the initial quota diminished by one-sixth.

#### Subsection 4 - Assistance

#### Article 246

1. The present article applies to assistance, premiums or other similar sums instituted within the framework of the common agricultural policy with respect to which Section 4 refers back to the present article.

2. For the purpose of the application of community assistance in Portugal, the following provisions are applied:

a) At the level of community assistance to be granted for a certain product in Portugal, as of 1 March 1986 it shall be equal to an amount established on the basis of the assistance granted by the Portuguese Republic during a representative period to be determined under the previous national system. However, this amount cannot exceed the amount of assistance granted on 1 March 1986 by the Community in its present composition. If no similar assistance was granted during the previous national system, and without prejudice to the following provisions, no assistance shall be granted in Portugal on 1 March 1986.

b) At the beginning of the first sales season, or if there is none, at the first period of application of assistance after accession:

either community assistance is introduced in Portugal at a level which represents one-seventh of the amount of Community assistance applicable for the next season or period,

or the level of community help in Portugal is approximated, in case there is a difference, to the level of assistance applicable in the Community in its present composition for the season or following period, by one-seventh of the difference existing between those two assistances.

c) at the beginning of the next seasons or periods of application, the level of community assistance in Portugal shall be approximated to the level of assistance applicable in the Community in its present composition, for the next season or period, by one-sixth, one-fifth, one-fourth, one-third and one-half of the difference existing between those two assistances, successively.

d) The level of Community assistance shall be completely applied in Portugal at the beginning of the seventh sales season or the seventh period of application of assistance subsequent to accession.

#### Article 247

1. Without prejudice to the provisions of Article 246, the Portuguese Republic is authorized to maintain national assistance whose suppression would cause serious consequences at the level of prices, in production as well as in consumption. However, such assistance may only be maintained on a transitory basis, and in principle degressive, no later than the end of the period of application of the transitory measures.

2. The Council, deciding under the conditions stipulated in Article 258, shall adopt the measures necessary for the application of the provisions of the present article. These measures include, particularly, the list and exact description of the assistance referred to in No 1, its amounts, the schedule of suppression and the possible rate of degressiveness, as well as the rules necessary for the good operation of the common agricultural policy. These rules must, on the other hand, insure equality of access of the Portuguese market.

3. In case it is necessary, during the period of application of the transitory measures, the rate of degressiveness referred to in no 2 may be derogated.

#### Article 248

1. In duly justified exceptional cases, the Portuguese Republic may be authorized to reintroduce, at the expense of its budget, temporary assistance

to production provided that such assistance has been granted under the previous national system and that the respective suppression prior to accession was shown to have caused serious consequences at the level of production.

2. The national assistance referred to in No 1 may only be reintroduced on a temporary basis and in principle, ~~de~~gressive, no later than up to the end of the period of application of the transitory measures.

The Council, deciding by a qualified majority at the proposal of the Commission, shall approve, if necessary, the measures required which must include the same rules and the same elements as those referred to in No 2 of Article 247.

#### Subsection 5--Complementary Mechanism for Trade Exchanges

##### Article 249

1. A complementary mechanism applicable to trade between the Community in its present composition and Portugal is instituted. It shall be called the MCT.

The MCT is applicable from 1 March 1986 until 31 December 1995.

2. The products, whose list contained in Annex XXII, are subject to the MCT.

The list referred to in Annex XXII may be completed according to the procedure stipulated in Article 250 during the first 3 years after accession.

3. The Commission shall present a report on the functioning of the MCT during the course of the previous year to the Council at the beginning of each year.

##### Article 250

1. An Ad Hoc Committee is instituted, which consists of representatives of the member states and is presided over by a representation of the Commission.

2. Within the Ad Hoc Committee, the votes of the member states have the same weight stipulated in No 2 of Article 140 of the EEC Treaty. The chairman does not vote.

3. In the case that reference is made to the procedure established in the present article, the chairman shall submit the matter to the Ad Hoc Committee without delay, on his own initiative or at the request of a member state.

4. The representative of the Commission presents a plan on the measures to be taken. The Committee utters its opinion within a period the chairman may establish, depending on the urgency of the questions submitted for their evaluation. The Committee decides by a majority of 54 votes.

5. The Commission approves the measures and applies them immediately, provided that they are in conformity with the opinion of the Committee. If they are not in conformity with the opinion of the Committee, or in the absence of an opinion, the Commission immediately submits a proposal relative to the measures to be taken to the Council. The Council approves these measures by a qualified majority.

If at the end of a period of one month, counting from the date in which the matter was submitted to it, the Council has not approved the measures, the Commission shall approve the proposed measures and apply them immediately, except in the case where the Council has expressed itself through a simple majority against the aforementioned measures.

#### Article 251

1. In principle, at the beginning of each sales season, an anticipatory balance relative to each of the products or group of products subjected to the MCT shall be established pursuant to the procedures stipulated in Article 38 of Regulation No 136/66/EEC or, depending on the case, in the pertinent articles of other regulation which establish the common market organization on agriculture.

This balance shall be established in principle by seasons, in terms of the production and consumption forecasts in Portugal or in the Community in its present composition. An anticipatory schedule relative to the development of trade exchanges and the establishment of a limit indicative of the imports of the market in question shall be established on the basis of this balance in accordance with the same procedure.

For the period beginning 1 March 1986 and ending at the beginning of the 1986/1987 sales season, a specific balance shall be established with respect to each product or group of products.

2. Successive establishments of indicative limits should reflect a certain progressiveness with respect to the trends of traditional trade exchanges in such a way as to insure a harmonious and gradual opening of the market and the complete realization of free movement within the Community at the end of the period of application of the transitory measures.

With this goal, a rate of annual progression of the limit shall be determined pursuant to the procedure referred to in No 1. Within the framework of the overall indicative limit, limits may be established corresponding to the different periods of the sales seasons in question.



## Article 252

1. When an examination of the development of intracommunity trade reveals a significant increase in imports made or in foreseeable imports, and if from that situation it results that the indicative limit of imports of a product for a sales season underway, or for part of it, has been reached or exceeded, the Commission, at the request of a member state, or on its own initiative, pursuant to an emergency procedure shall decide:

the precautionary measures necessary and applicable until the effective date of the definitive measures stipulated in no 3;

the convocation of the Management Committee of the sector in question, keeping in mind an analysis of adequate measures.

2. When the situation referred to in No 1 causes a serious disturbance in the markets, a member state may ask the Commission to take the precautionary measures referred to in No 1 immediately. For that purpose, the Commission shall adopt a decision within the 24 hours following the receipt of the request.

If the decision by the Commission has not been made in that period, the requesting member state may take precautionary measures of which the Commission will be immediately notified.

These measures shall remain applicable until the Commission has decided on the request mentioned in the first paragraph.

3. The final measures shall be adopted as soon as possible pursuant to the procedures stipulated in Article 38 of Regulation No 136/66 EEC, or, depending on the case, in the pertinent articles of the other regulations relative to the common organization of agricultural markets.

These measures may specifically include:

- a) The revision of the indicative limit if the market in question has not suffered significant disturbances in the course of the development of imports;
- b) Depending on the gravity of the situation, evaluated specifically on the basis of the development of market prices and on the quantities which are the object of exchanges, the limitation or suspension of imports into the Community market in its present composition or into the Portuguese market.

The restrictive measures referred to in line b) may only be taken in the degree and time strictly required for putting an end to the disturbance. With respect to the Community in its present composition, these measures may be limited to imported destined for some of its regions, provided they include the proper provisions to prevent deviations of movement.

4. The application of the MCT cannot, under any circumstances, mean a less favorable treatment with respect to the products coming from Portugal or the Community in its present composition, than that applied to products, which coming from third countries, are benefitted by the most favored nation clause and are distributed in the regions in question.

#### Subsection 6 - Other Provisions

##### Article 253

The following measures shall be applied with the objective of improving the structures in Portugal:

- a) The execution, as of the intervening period, of specific measures of preparation for the purpose of receiving and applying Community experience specifically in the area of structures of production, transformation and sales, as well as producing organizations;
- b) the application in Portugal, as of the date of accession, of Community regulations in the sociostructural area, including that relative to the producer organizations;
- c) extension to the benefit of Portugal, within the framework of the regulations referred to in line b), of the specific most favorable provisions existing on that date in the lateral communitarian regulations in favor of the more disadvantaged zones of the Community in its present composition;
- d) execution, in addition to that, of structural actions in favor of Portugal in the form of specific program for the development of Portuguese agriculture.

The Council, deliberating under the conditions stipulated in Article 258, shall adopt, if necessary, the measures or methods of the measures mentioned in the first paragraph.

##### Article 254

The supplies of products that may be found in free movement in Portuguese territory on 1 March 1986, and which exceed the quantities of that which may be considered normal stocks, must be eliminated by the Portuguese Republic and at its expense, within the framework of communitarian procedures to be established within the deadlines to be determined under the terms of Article 258.

The idea of a normal supply stock shall be indicated for each product in terms of the criteria and individual objectives of each common market organization.

#### Article 255

When establishing the level of the various amounts stipulated within the framework of the common agricultural policy, which are not the prices referred to in Article 236, the compensatory amount applied, or if there is none, the difference of prices confirmed or economically justified, shall be taken into consideration and if necessary, the influence of the customs duty except:

if there is no danger of a disturbance in trade, or, if the good operation of the common agricultural policy requires that such an amount, that difference or that influence not be considered, or that its consideration has become undesirable.

#### Article 256

1. The Council, deliberating under the conditions stipulated in Article 258, shall approve the system applicable by the Portuguese Republic relative to the Spanish State.

2. The measures made necessary in trade between the new member states and the Community in its present composition for the execution of the system referred to in No 1, shall be adopted, depending on the case, under the conditions stipulated in Article 258 or pursuant to the procedure stipulated in No 2 of Article 234.

#### Article 257

1. If temporary measures were to be needed to facilitate the passage from the system existing in Portugal to that which shall result from the application of the common market organization in terms of the present title, particularly if the application of the new system on the stipulated date results in considerable difficulty in the Community with respect to certain products, such measures shall be adopted pursuant to the procedure stipulated in Article 38 of Regulation No 136/66/EEC or, depending on the case, pursuant to pertinent articles of other regulations relative to the common organization of agricultural markets. These measures may be undertaken until 31 December 1987; their respective application may not go beyond that date.

2. The Council, by unanimous deliberation, under proposal by the Commission and after consulting the Assembly, may extend the period referred to in No 1.

#### Article 258

1. Transitory measures with respect to the application of the acts relative to the common agricultural policy and not specified in the present Act, including in the area of structures made necessary as the result of accession, shall be adopted prior to accession pursuant to the procedure specified in No 3, and shall go into effect no later than the date of accession.

2. Transitory measures referred to in No 1 are those mentioned in Articles 247, 253, 254, 256 and No 2 of Articles 263 and 280.

3. The Council, deliberating by a qualified majority, under proposal of the Commission, or the Commission, deciding pursuant to the procedure stipulated in No 1 of Article 257, shall adopt the transitory measures referred to in No 1, pursuant to the initial acts which such measures affect and which may have been adopted by one or the other of these institutions.

#### Section I--Transition by Phases

##### Subsection I -- Framework of Application

##### Article 259

1. The products that are the object of the following acts are subject to transition by phases:

Regulations (EEC) No 804/68, which establishes the common market organization in the area of milk and milk products.

Regulation (EEC) No 805/68, which establishes the common market organization in the sector of beef.

Regulation (EEC) No 1035/72, which establishes the common market organization in the sector of fruit and horticultural products.

Regulation (EEC) No 2727/75, which establishes the common market organization in the sector of cereals.

Regulation (EEC) No 2759/75, which establishes the common market organization in the sector of pork.

Regulation (EEC) No 2771/75, which establishes the common market organization in the sector of eggs.

Regulation (EEC) No 2777/75, which establishes the common market organization in the sector of domestic fowl meat.

Regulation (EEC) No 1418/76, which establishes the common market organization in the rice sector.

Regulation (EEC) No 337/79, which establishes the common market organization in winemaking.

2. The glucose and lactose that are the object of Regulation (EEC) No 2730/75, and the egg albumin and milk albumin that are the object of Regulation (EEC) No 2783/75, remain subject to the same transitory system applicable to the pertinent agricultural products.

## Article 260

1. The transition by phases consists of two 5-year periods:

The first phase begins on 1 March 1986 and ends on 31 December 1990;

the second phase begins on 1 January 1991 and ends on 31 December 1995.

The passage from the first phase to the second phase is automatic.

2. In derogation of No 1, the Council, deliberating by a qualified majority under the proposal of the Commission and after consultation with the Assembly, may reduce the first phase to a period of 3 years, which will end on 31 December 1988. In this case, the second phase begins on 1 January 1989 and ends on 31 December 1995.

### Subsection 2--First Phase

a) Portuguese Domestic Market

## Article 261

1. During the first phase, the Portuguese Republic is authorized to maintain, for the products referred to in Article 259, the regulation in effect under the prior national system for the organization of its domestic agricultural market under the conditions stipulated in Articles 262 and 265 and under the reservations of the special provisions of the section relative to certain products.

2. As a result, and in derogation of the provisions of Article 394, the application of the communitarian regulations relative to the organization of the domestic market in Portugal shall be postponed until the end of the first phase.

Moreover, and except provisions to the contrary in specific cases, the application in the Community in its present composition, and in Portugal, of the changes introduced in the Community regulations by Article 396 shall be postponed until the end of the first phase.

## Article 262

In order to allow Portuguese agriculture to enter into the framework of the common agricultural policy in a harmonious and complete manner at the end of the first phase, the Portuguese Republic shall progressively adapt the organization of its market in terms of a certain number of general objectives complemented by specific objectives, which may vary pursuant to the sectors in question.



#### Article 263

The general objectives referred to in Article 262 consist of accomplishing:

A noticeable improvement in production, transformation and sales conditions for agricultural products in Portugal;

an overall improvement of the structural situation of the Portuguese agricultural sector.

2. In order to favor the accomplishment of the general objectives, the following measures relative to the products referred to in Article 259 shall be applied:

a) The execution, as of the intervening period, of specific measures of preparation, having as an objective the reception and the application of the communitarian experience, specifically in the area of the structures of production, transformation and sales, as well as in the organizations of producers;

b) application in Portugal, as of the date of accession of the communitarian regulations in the sociostructural area, including that relative to the producers organizations;

c) extension for the benefit of Portugal, within the framework of the regulations referred to in line b), of the most favorable specific provisions existing on that date in the lateral communitarian regulations in favor of the most disadvantaged zones of the Community in its present composition;

d) in addition to that, the execution of structural actions in favor of Portugal in the form of a specific development program for Portuguese agriculture.

The Council, deliberating by a qualified majority, under the conditions stipulated in Article 258, shall adopt the measures or methods of the measures referred to in the first paragraph if necessary.

#### Article 264

1. The specific objectives referred to in Article 262 consist, according to the sector of products in question, of Section V.

2. a) For the purpose of attaining the specific objectives, the Commission shall prepare, during the intervening period, a program of action in close collaboration with the Portuguese authorities,

b) then the Commission shall closely watch the progress of the situation in Portugal in the light of:

The progress made in the accomplishment of fixed objectives;

the results obtained by means of the execution of lateral and specific structural measures.

c) The Commission shall issue its opinion on this progress by means of reports to be transmitted to the Council:

At the end of the intervening period, keeping in mind the establishment of a balance of the progress made prior to the date of accession;

in useful time before the end of the third year after accession;

at any time the Commission judges useful or necessary.

d) Primarily considering the deliberations of the Council on the reports referred to in line c), the Commission may make recommendations to the Portuguese Republic, if necessary, on the actions that must be undertaken, keeping in mind the accomplishment of the objectives in question.

#### Article 265

During the first phase, the Portuguese Republic shall apply the following disciplines:

##### 1. A discipline of prices:

a) If Portuguese prices expressed in ECU's are lower or equal to common prices:

Without prejudice to the harmonization of prices in the milk sector or that of milk products referred to in line d) of Article 309, the annual increases in prices may not exceed in value the increase in common prices; however:

aa) In case Portuguese prices are lower than common prices, and always provided that in the terms of the discipline of assistance referred to in line c) the suppression of certain assistance--directly granted to the products at the level of primary production or granted to the means of production--results in a decline in the yields of Portuguese producers, an amount complementary to that referred to in the first section, limited to the effects of the assistance suppressed on the yields of the producers, may be applied.

bb) With respect to the products of customs tariff's item 22.05 of the common customs tariff list, by means of which institutional prices are fixed, the annual increase in Portuguese prices may reach, without exceeding, the level of the fraction resulting from an approximation of the prices effected in 10 years.

Portuguese prices may in no case exceed the levels of common prices.

Keeping in view the application of the discipline of prices established in line a), the level of Portuguese prices to be taken under consideration during the first sales season after accession is the level of Portuguese prices established by the 1985/86 season, converted into ECU's at the effective rate at the beginning of this sales season for the products in question.

b) In case the duration of the first phase is not reduced under the terms of No 2 Article 260, and provided that Portuguese prices are lower than common prices, the Portuguese Republic shall proceed during the course of the fifth year of the first phase, at the beginning of the sales season for the product in question, to a movement of approximation of prices with respect to the level of common prices applicable to that same season under terms to be determined.

For that purpose, Portuguese prices to be approximated are the prices expressed in ECU's at the level reached on 31 December 1989 under the terms of the rules of the discipline of prices referred to in line a).

c) If the level reached by Portuguese prices for the 1985/1986 season, expressed in ECU's at the rate of conversion in effect at the beginning of the sales season for the product in question, were to be higher than the level of common prices, the level of Portuguese prices may not be increased with respect to their previous level.

Moreover, if Portuguese prices expressed in ECU's established under the prior national system for the 1985/1986 season, were to lead to exceeding the existing difference for the 1984/1985 season between Portuguese prices and common prices, the Portuguese Republic shall fix its prices to equal those of previous seasons in such a way that this surplus shall be completely reabsorbed during the first seven sales seasons subsequent to accession.

On the other hand, Portugal shall adapt its prices in the degree necessary to prevent an increase in the difference between its prices and common prices.

d) The Commission shall check to insure compliance with the rules heretofore listed. An excess in the level of prices resulting from the application of these rules shall not be taken into consideration with respect to the determination of the level of prices to be taken as the starting level for the approximation of prices during the second phase referred to in Article 285.

2. A discipline of assistance:

With respect to this discipline, and without prejudice to Article 248, the Portuguese Republic is authorized to maintain its national assistance during the first phase.

However, during this period the Portuguese Republic shall seek to carry out a certain dismantlement of national assistance which is not in conformity with the community rules and introduce the system of community assistance into the organization of its domestic market progressively, without it meaning that the level of this assistance will exceed the common level.

3. A discipline of production:

With respect to this discipline, the Portuguese Republic shall take the necessary measure to prevent that in the sectors in which the community regulations establishes rules for the discipline of production:

the possible increases in production taking place in its territory during the course of the first phase will lead to a worsening of the situation of community production as a whole.

the reception of community production as of the beginning of the second phase becomes more difficult.

Article 266

1. No later than the end of the first phase:

The Commission shall issue, if necessary, a report to the Council that will include proposals on the development of the situation in one or in several of the sectors referred to in Article 259 with respect to the objectives indicated for the first phase;

the Council, deliberating unanimously at the proposal of the Commission and after consultation of the Assembly, shall decide on the possible adaptations required in the methods of transition, within the maximum period of 10 years, stipulated for the application of the transition measures, for a period strictly necessary for insuring the operation of the common market organizations.

2. The provisions of No 1 do not affect the automatic nature of the passage from the first phase to the second phase stipulated in No 1 of Article 260 and may not imply a change of Articles 371 and 375.

b) System Applicable in Trade Exchanges between the Community in its Present Composition and Portugal.

#### Article 267

Without prejudice to the provisions of Articles 268 and 276 and Section V, the Portuguese Republic is authorized to apply in its trade with the Community in its present composition, the system in effect prior to its accession relative to these trade exchanges, imports as well as exports, during the first phase and with respect to the products referred to in Article 259.

#### Article 268

1. With the exceptions of the provisions of No 2, the Portuguese Republic shall eliminate as of 1 March 1986, any collection of customs duties or equivalent surcharges on the imports of products from the Community in its present composition.

2. Relative to the products referred to in Article 259 whose imports from third countries into the Community in its present composition are subject to customs duties, the following provisions are applicable, keeping in view a progressive abolishment of these duties during the course of the first and second phases:

a) Customs duties applicable to imports into the Community in its present composition relative to products from Portugal shall be abolished pursuant to the following schedule:

On 1 March 1986 each duty shall be reduced to 88.9 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 77.8 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 66.7 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 55.8 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 44.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 33.4 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 22.3 percent of the base duty;  
on 1 January 1993 each duty shall be reduced to 11.2 percent of the base duty;  
on 1 January 1994 all duties shall be abolished.

However:

With respect to strong and sweetish wines of quality produced in certain regions and contained in item 22.05 of the common tariffs list, the Community in its present composition shall reduce its base duties in three fractions pursuant to the following calendar:

On 1 March 1986 each duty shall be reduced to 66.7 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 33.4 percent of the base duty;  
on 1 January 1988 all duties shall be abolished.



with respect to dry wines and those from Dao included in item 22.05 of the common tariffs list, the Community in its present composition shall reduce its base duties in four fractions of 25 percent successively, and in accordance with the following dates:

1 March 1986,  
1 January 1987,  
1 January 1988,  
1 January 1989;

relative to the other wines equivalent to those of "v.q.p.r.d." included in item 22.05 of the common tariffs list, the Community in its present composition shall reduce its base duties in six fractions according to the following calendar:

On 1 March 1986 each duty shall be reduced to 83.3 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 66.6 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 49.9 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 33.2 percent of the base duty;  
on 1 January 1990 each right shall be reduced to 16.5 percent of the base duty;  
on 1 January 1991 all duties shall be abolished.

b) The customs duties applicable to the imports by Portugal of products referred to in Article 259 which come from the Community in its present composition, shall be progressively abolished according to the following calendar:

On 1 March 1986 each duty shall be reduced to 90.9 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 81.8 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 72.7 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 63.6 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 54.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 45.4 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 36.3 percent of the base duty;  
on 1 January 1993 each duty shall be reduced to 27.2 percent of the base duty;  
on 1 January 1994 each duty shall be reduced to 18.1 percent of the base duty;  
on 1 January 1995 each duty shall be reduced to 9 percent of the base duty;  
on 1 January 1996, all duties shall be abolished.

However:

provided that during the first phase relative to one of the products referred to in Annex XXIII, the customs duty resulting from the application of the previous paragraph is, under the terms of Article 191, limited to the level of the duty applicable to the imports into Portugal from third countries which benefit from the most favored nation clause, and,

provided that this situation is maintained at the beginning of the second phase, the progressive suppression of the residual duty shall be accomplished during the course of the second phase beginning with the level of the duty actually applied at the beginning of the second phase, pursuant to a calendar to be determined.

3. For the purposes of the provisions of Nos 1 and 2, the base duty is that established in Article 189.

However:

For the application of No 2, Line b), and with the exception of the base duty applicable to the products referred to in Annex XXIII, the base duty may not exceed the level of the common tariff list duty;

for strong sweetish wines of quality produced in certain regions, for young wines and the Dao wines, the base duties shall be those actually applied within the framework of tariff quotas under the previous system. The tariff quotas applied under the previous system shall be abolished as of 1 March 1986.

4. Number 4 of Article 243 is applicable, after the necessary changes, during the period of suppression of the customs duties referred to in No 2 of the present article. However, when No 4 of Article 243 stipulates a decision with respect to the Portuguese Republic in accordance with the procedure described in the first paragraph of that number, the member state may act without resorting to this procedure; in such case the Portuguese shall inform the other member states and the Commission of the measures taken.

Except for provisions to the contrary of the present article or of No 4 of Article 243, the provisions of Articles 189 and 195 are equally applicable.

#### Article 269

1. Without prejudice to the provisions of No 2, the Portuguese Republic shall eliminate the application of any quantitative restriction and of any equivalent effect measure on the imports of products referred to in Article 259 from the Community in its present composition as of 1 March 1986.

2 a) Until the end of the first phase, the Portuguese Republic may maintain quantitative restrictions on imports coming from the Community in its present composition of the products referred to in Annex XXIII.

b) The quantitative restrictions referred to in line a) consist of annual quotas opened without discrimination among economic operators.

The initial quota in 1986 for each product, expressed depending on the case in volume or in ECU's, is fixed:

Either at 3 percent of the average Portuguese annual production for the 3 years previous to accession on which there are statistics available;  
or of the average of Portuguese imports made during the 3 years previous to accession on which there are statistics available, if the last criterion leads to a higher volume or total.

c) The progressive increase of quotas is of at least 15 percent at the beginning of each year with respect to the quotas expressed in value, and of at least 10 percent at the beginning of each year with respect to the quotas expressed in volume.

The increase is added to each quota and the following increase is calculated on the total figure obtained.

d) Provided that imports made by Portugal for 2 consecutive years are less than 90 percent of the open annual quota, quantitative restrictions in effect in Portugal shall be abolished.

e) For the period between 1 March and 31 December 1986, the quota applicable is equal to the initial quota decreased by one-sixth.

#### Article 270

1. During the first phase, the Portuguese Republic shall apply a system of equalizing prices or of specific protection to the imports of the products referred to in Article 259 coming from the Community in its present composition as is stipulated by the Community regulations on imports from third countries. This system must be based on identical criteria to those taken into consideration by communitarian regulations for determining the parameters of the equalizing of prices or specific levels of protection.

2. For the products from among those mentioned in Article 259, which are not subject to restrictions in trade exchanges between Portugal and the present member states or between Portugal and third countries, pursuant to Articles 269 and 280, respectively, the Portuguese Republic may apply a system of statistical information prior to import until 31 December 1988. However, that system, which includes the issuance of a national import document, must stipulate the automatic issuance of that document during a maximum period of four working days after the date of the delivery of the request; if that document is not issued during the period stipulated, the imports may be done freely.

Within the framework of the report referred to in No 2 line c), second section, of Article 264, the Commission shall submit to the Council, no later than 3 months before the date of accession, the rules of the systems referred to in Nos 1 and 2.

After examination, the Commission shall transmit that communication to the other member states.

#### Article 271

During the first phase, the Portuguese Republic may grant aid or subsidies to the products referred to in Article 259 exported to the present member states.

However, the total of those possible aids or subsidies shall be limited to a maximum of the difference between the prices confirmed in Portugal and in the Community in its present composition, and if such is the case, the effects of customs duties.

The establishment of those aids or subsidies may only take place after the accomplishment of the procedures of consultation stipulated in Article 276.

#### Article 272

1. During the first phase, and without prejudice to No 2 line a) of Article 316, the Community in its present composition shall apply to the imports of the products referred to in Article 259 coming from Portugal the system that it applied with respect to Portugal prior to accession.

2. However, relative to the products subjected to a community system of equalizing import duties, the approximation of the prices possibly made and, if such were the case, the effects of national aid granted in Portugal, shall be taken into consideration when establishing equalizing duties applicable to products imported from Portugal.

3. In trade exchanges between the Community in its present composition and third countries during the first phase, figures relative to the Portuguese market shall not be taken into consideration for the purposes of calculating common prices that serve for the determination of the amounts collected on imports.

#### Article 273

1. During the first phase, the fixed element destined for insuring protection of the transformation industry used in the calculation for the taxation on imports coming from third countries with respect to the products subjected to the common market organization in the sectors of cereal and rice, shall be collected from imports into Portugal of products coming from present member states.

2. In derogation of No 1, the element of protection to be collected during the first phase from imports into Portugal of the products referred to in Annex XXIV, is fixed in front of each of them.

#### Article 274

1. Without prejudice to the application of the general protection clause referred to in Article 379, the Portuguese Republic is authorized to adopt measures of protection in the imports of the products referred to in Article 259 coming from the present member states under comparable conditions and criteria as those existing within the framework of each common market organization for the application of measures of protection with respect to third countries.

2. The Portuguese Republic shall immediately notify the Commission of such measures in order to allow it to present, if such is the case, observations as to the justification, nature or duration of the protective measures determined.

The present procedure does not exclude the applicability of the means of recourse stipulated in the terms of the EEC Treaty.

3. No protective measure may be adopted if at least the same measure is not at the same time applicable to imports by Portugal of the same products coming from third countries.

#### Article 275

1. During the first phase, the Community in its present composition shall apply the system that it applies to exports to third countries, to the products referred to in Article 259 exported to Portugal.

2. However, the amount of possible restitutions applicable is limited to a maximum of the difference between the prices confirmed in the Community in its present composition and in Portugal, and if such is the case, the effects of customs duties.

The establishment of these restitutions may only occur after the realization of the process of consultation stipulated in Article 276.

3. The restitutions referred to in the present article shall be financed by the Community under the EAGGF, Guarantee Section.

#### Article 276

The application by the Portuguese Republic of the aids or subsidies referred to in Article 271, or of the restitutions by the Community referred to in Article 275, are subordinated to prior consultations that will be accomplished according to the following procedure:

1. Any plan for fixing:

subsidies to exports from Portugal to the Community in its present composition or destined for third countries or restitutions on exports from the Community in its present composition destined for Portugal

shall be the object of an exchange of opinions within the framework of the periodic meetings of the Management Committee instituted by the common market organization to which the product in question is subject.

2. The representative of the Commission shall submit the above mentioned plan for examination. That examination shall primarily focus on the economic aspect of the stipulated exports, as well as on the status and the level of prices on the Portuguese market, the Community market in its present composition, and on the world market.



3. The Committee shall utter an opinion on the plan within a period that the president may set, depending on the urgency of the need for the fixing.

The Committee shall decide by a majority of 54 votes.

The opinion shall be immediately communicated to the authority responsible for the fixing, that is, depending on the case, the Portuguese Republic or the Commission.

In case it is a negative opinion, the pertinent authority:

may only make a fixing applicable, which is not in conformity with that opinion, after the expiration of a period of 10 working days after the date on which the Committee issued its opinion;

shall immediately communicate the fixing measure to the Council, which may deliberate on it and recommend to the pertinent authority that it change its plan or its fixing decision.

c) System Applicable in Trade Exchanges between Portugal and Third Countries

#### Article 277

1. With respect to the products referred to in Article 259, and without prejudice to the provisions of Articles 278 and 282, the Portuguese Republic shall apply, as of 1 March 1986, the communitarian regulations relative to the applicable system of imports to the Community of products imported from third countries, as is defined in No 3 of Article 272.

2. However, the equalizing duties applicable to imports shall be, if required, increased by the difference existing between the prices applicable in Portugal and the common prices.

#### Article 278

1. The Portuguese Republic shall completely apply the duties of the common customs tariff list as of 1 March 1986 with respect to the products referred to in Article 259, with the exception of products contained in Annex XXV, to which the common customs tariff list shall be applied no later than the beginning of the second phase.

2. The provisions of No 4 Article 243 are applicable after the necessary changes during the first phase with respect to the products contained in Annex XXV.

Except for the provisions contrary to the present article or to No 4 of Article 243, the provisions of Articles 197 and 201 are equally applicable.

#### Article 279

The fixed elements meant for insuring the protection of the transformation industry referred to in Article 273 and included in Annex XXIV, during the first phase shall be a substitute in that which has to do with the levy collected by Portugal on imports coming from third countries, for the community element of protection.

#### Article 280

Until 31 December 1995, the Portuguese Republic may maintain quantitative restrictions on imports of the products referred to in Annex XXVI from third countries, according with regulations to be determined by the Council deliberating under the conditions referred to in Article 258.

#### Article 281

No 2 of Article 270 and Article 27<sup>4</sup> apply, the necessary changes having been made, to trade exchanges between Portugal and third countries.

#### Article 283

1. For the products referred to in Article 259, and subject to the provisions of No 2 of the present article, the Portuguese Republic is authorized to maintain the system in effect before its accession with respect to exports to third countries for those trade exchanges.
2. The amount of aid or subsidies possibly granted by the Portuguese Republic to exports to third countries should be restricted to that which is strictly necessary for insuring the dissemination of the product in question in the market of destination.

That aid or subsidy may only be applied after having accomplished the procedures referred to in Article 276. Those consultations shall particularly focus on the economic aspect of the planned exports, on the prices taken into consideration for the calculation of them, and the status of the markets of origins or destination.

#### Subsection 3--Second Phase

#### Article 284

1. Beginning with the second phase, community regulations having to do with the products referred to in Article 259 shall be fully applied subject to the provisions of Articles 239, 240, 241, No 1 of Article 242, Articles 249 to 253, 255, 256, 268, 279, 285 to 288, as well as the specific provisions of Section V relative to certain products.

2. However, the compensatory amount established pursuant to the rules of Article 240 shall be corrected, if necessary, by the effects of national aid that the Portuguese Republic is authorized to maintain pursuant to Article 286.

#### Article 285

1. a) If under the terms of No 1 Article 260 the second phase were to have a duration of 5 years, the prices to be applied in Portugal shall be fixed at the same level as the results of the application of No 1 of Article 265 until the first of the approximations referred to in No 2 of the present article takes place.

b) If under the terms of No 2 of Article 260 the second phase were to have a duration of 7 years, the prices to be applied in Portugal shall be, until the first of the approximations referred to in No 2 of the present article, the prices expressed in ECU's fixed pursuant to the rules stipulated in the common market organization for the sector in question at the level reached on 31 December 1988, according to the rules of the discipline of prices stipulated in No 1 of Article 265.

2. If from the application of the provisions of No 1, there were to result a level of prices in Portugal different from the common prices, the prices which in Section V refer back to the present article shall be approximated, without prejudice to the provisions of No 6 on common prices, annually at the beginning of the sales season under the terms of Nos 3 and 4.

3. If the price for a product in Portugal were to be lower than the common price, the approximation shall be accomplished as follows:

In 5 years: If the second phase were to have a duration of 5 years, the price in Portugal shall be improved successively during the first four approximations as follows: one-fifth, one-fourth, one-third and one-half of the difference existing between the level of the Portuguese price and the level of the common prices applicable before each approximation;

in 7 years: If the second phase were to have a duration of 7 years, the price in Portugal shall be improved during the first six successive approximations as follows: One-seventh, one-sixth, one-fifth, one-fourth, one-third and one-half of the difference existing between the level of the Portuguese price and the level of the common prices applicable before each approximation.

The price resulting from the calculation made pursuant to one of the two previous sections shall be increased or decreased in proportion to the possible increase or decline in the common price for the following season.

The common price shall be applied in Portugal in 1995 at the beginning of the sale season for the product in question.

4. a) If with respect to a product the price in Portugal were to be higher than the common price, the price in the member state shall be maintained at the level referred to in No 1, approximation being the result of the change in common prices during the 5 or 7 years of the second phase, depending on the case.

However, the price in Portugal shall be adapted in the degree in that it becomes necessary in order to avoid an increase in the difference between this price and the common price.

Without prejudice to the provisions of line b), the common price shall be applied in Portugal in 1995 at the beginning of the sales season of the product in question.

b) Before the end of the eighth year, beginning with the year of accession, the Community shall proceed to accomplish an analysis of the progress of the approximation of prices. For this purpose, the Commission shall send the Council an opinion accompanied by suitable proposals, if necessary, within the framework of the reports referred to in No 2 line c) of Article 264.

If this analysis reveals:

that the difference between Portuguese prices and common prices is too large to be reabsorbed during the period of time remaining for the approximation of prices referred to in No 2, but it appears, nevertheless, that it can be suppressed within a limited period, the period of approximation of prices initially stipulated may be extended; in that case the prices shall be maintained at their previous level under the terms of the rule stipulated in line a);

that the difference between Portuguese prices and common prices is too large to be suppressed exclusively by extending the period of approximation of prices initially stipulated, it may be decided that in addition to this extension, the approximation shall be accomplished by means of a progressive lowering of Portuguese prices expressed in real terms, accompanied if necessary by indirect, temporary and degressive aid in order to attenuate the effects of the degressiveness of these prices. The financing of this aid shall be borne by the Portuguese budget.

The Council, deliberating by a qualified majority, at the proposal of the Commission and after consultations of the Assembly, shall adopt the measures referred to in the preceding paragraph.

5. If at the beginning of the second phase it is noted that the difference existing between the price level of a product in Portugal and the common price does not exceed 3 percent of the common price, the latter price may be applied in Portugal for the product in question.

6. In order to insure the harmonious operation of the integration process, it may be decided that, in derogation of No 3, the price of one or several products for Portugal may deviate for one season from the prices resulting from the application of that number.

This difference may not exceed 10 percent of the amount of the change to be made in prices.

In this case, the level of prices for the next season shall be that which will result from the application of No 3 if the difference has not been decided. However, for this season, a new difference with respect to that level may be decided under the terms of the first and second paragraphs.

The derogation stipulated in the first paragraph does not apply to the last approximation referred to in No 3.

#### Article 286.

1. As of the beginning of the second phase, the following provisions shall apply in Portugal.

No 1 of Article 244, without prejudice to Articles 268, 280 and 285 and the specific provisions of Section V relative to certain products;

Article 248, the decisions of the Council to be adopted pursuant to the procedures referred to in No 2 of Article 234;

Article 248

Article 254, the date of 1 March 1986 being replaced by the beginning of the second phase;

Article 257, the date of 31 December 1987 being replaced by 31 December of the second year of the second phase.

2. The MCT stipulated by Article 249 shall be applicable under the conditions established in Articles 250 to 252 as of the beginning of the second phase to 31 December 1995. The list of the products to be subjected to the MCT shall be established before the end of the first phase. This list may be completed under the terms of the procedure stipulated in Article 250 during the first 2 years of the second phase.

The Commission shall present a report to the Council at the beginning of each year on the functioning of the MCT during the previous year.

3. The fixed elements designed for insuring protection of the transformation industry referred to in Nos 1 and 2 of Article 273, shall be progressively abolished at the beginning of the second phase pursuant to the following calendar:

On 1 January 1991 each fixed element shall be reduced to 80.3 percent of the fixed base element;

on 1 January 1992 each fixed element shall be reduced to 66.6 percent of the fixed base element;



on 1 January 1993 each fixed element shall be reduced to 49.9 percent of the fixed base element;  
on 1 January 1994 each fixed element shall be reduced to 33.2 percent of the fixed base element;  
on 1 January 1995 each fixed element shall be reduced to 16.5 percent of the fixed base element,  
on 1 January 1996 all fixed elements shall be abolished.

#### Article 287

1. In derogation of No 3, line b) of Article 240, and of Article 284, equalizing duties or other charges imposed on imports in trade exchanges between Portugal and third countries within the framework of the common agricultural policy shall not be deduced from the compensatory amounts applicable in the trade exchanges with the Community in its present composition.
2. As of the beginning of the second phase, the difference between the fixed elements aimed at insuring the protection of the transformation industry referred to in Article 279 and those which enter into the calculations of charges imposed on imports from third countries shall be reduced pursuant to the calendar referred to in No 3 of Article 286.

As of 1 January 1996 the Portuguese Republic shall apply the fixed element for insuring the protection of the transformation industry, which enters into the calculations of the charges imposed on imports from third countries for the products that are the object of the common market organization in the sectors of cereals and rice.

#### Article 288

Aid, premiums or other similar amounts instituted within the framework of the common market organization with respect to which in Section V are referred back to the present article, are applied in Portugal pursuant to the following provisions:

- a) The level of community aid to be granted to a certain product in Portugal at the beginning of the second phase shall be equal to the amount of aid granted at the end of the first phase.

If no similar aid was granted during the first phase, and without prejudice to the subsequent provisions, no aid shall be granted in Portugal at the beginning of the second phase.

- b) At the beginning of the first sales season, or if there is none, at the beginning of the first period of application of aid after the beginning of the second phase:

- aa) Either community aid is introduced into Portugal at a level that is:

one-fifth of the amount of community help applicable for the season or the following period, if the second phase were to have a duration of 5 years;

one-seventh of the amount of community aid applicable for the season or the following period, if the second phase were to have a duration of 7 years;

bb) or community aid in Portugal is approximated, in the case there exists a difference, to the level of aid applicable in the Community in its present composition, for the following season or period as follows:

Of one-fifth of the difference existing between those two forms of aid if the second phase were to have a duration of 5 years;

of one-seventh of the difference existing between those two forms of aid if the second phase were to have a duration of 7 years.

c) At the beginning of the following seasons or periods of applications, the level of community aid in Portugal shall be approximated to the level of aid applicable in the Community in its present composition for the following season or period consecutively as follows:

one-fourth, one-third and one-half of the difference existing between the two amounts of aid if the second phase were to have a duration of 5 years,

one-sixth, one-fifth, one-fourth, one-third and one-half of the difference existing between the two amounts of aid if the second phase were to have a duration of 7 years.

d) The level of community aid shall be completely applied in Portugal in 1995 at the beginning of the sales season or the period of application of aid.

#### Article 289

1. The Portuguese Republic shall progressively apply the preferences on imports granted by the Community to certain third countries by autonomous or conventional means as of the beginning of the second phase.

2. With this objective, the Portuguese Republic shall apply a duty that will reduce the difference between the rate of the duty actually applied at the end of the first phase and the rate of the preferential duty pursuant to the following calendar:

a) If the second phase were to have a duration of five years:

On 1 January 1991, the difference shall be reduced to 83.3 percent of the initial difference,

on 1 January 1992, the difference shall be reduced to 66.6 percent of the initial difference,

on 1 January 1993, the difference shall be reduced to 49.9 percent of the initial difference;  
on 1 January 1994, the difference shall be reduced to 33.2 percent of the initial difference;  
on 1 January 1995, the difference shall be reduced to 16.5 percent of the initial difference;

b) If the second phase were to have a duration of 7 years:

On 1 January 1989 the difference shall be reduced to 83.3 percent of the initial difference;  
on 1 January 1990 the difference shall be reduced to 75 percent of the initial difference;  
on 1 January 1991 the difference shall be reduced to 62.5 percent of the initial difference;  
on 1 January 1992 the difference shall be reduced to 50 percent of the initial difference;  
on 1 January 1993 the difference shall be reduced to 37.5 percent of the initial difference;  
on 1 January 1994 the difference shall be reduced to 25 percent of the initial difference;  
on 1 January 1995 the difference shall be reduced to 12.5 percent of the initial difference;

c) The Portuguese Republic shall apply the complete preferential rates as of 1 January 1996.

#### Section IV--Provisions Relative to Certain Common Market Organizations Subject to Traditional Transition

##### Subsection 1--Fats

##### Article 290

1. With respect to olive oil, Articles 236 and 240 are applied to the prices of intervention.

2. During the course of the transitional period of 10 years, the price thus fixed relative to Portugal shall be approximated to the level of the common price annually at the beginning of each sales season in the following way:

Until the effective date of the adaptations of community production, the price in Portugal shall be approximated annually by one-twentieth of the initial difference existing between this price and the common price;

after the effective date of the adaptations of community production, the price in Portugal shall be corrected from the difference existing between the price in this member state and the common price applicable before each approximation, divided by the number of seasons that will intervene until the end of the period of application of the transitory measures. The price

resulting from this calculation shall be adapted proportionately to the possible change in the common price for the following season.

3. The Council, deliberating pursuant to the procedure stipulated in No 2 of Article 43 of the EEC Treaty, shall declare that it has confirmed that the condition required for the application of No 2 of the second section of the present article has been fulfilled. The approximation of the price shall be made under the terms of this latter provision as of the beginning of the season subsequent to the confirmation.

4. The compensatory amount resulting from the application of Article 240 shall be adapted, if such were the case, in terms of the difference existing between the community aid to consumption applicable in the Community in its present composition and in Portugal.

#### Article 291

1. Article 236 is applied to the suggested price of sunflower seeds. With respect to rape, turnip, soybean, and flax seed, the suggested or objective price applicable in Portugal on 1 March 1986 shall be fixed in terms of the difference existing between the prices of the products included in the rotation of crops in Portugal and the Community in its present composition during a reference period to be determined. However, the suggested price or the target price to be applied in Portugal cannot exceed the common price.

2. During the period of application of transitory measures, the prices thus fixed for Portugal shall be approximated to the level of common prices annually at the beginning of the sales season. The approximation shall take place in phases, applying Article 238 after the necessary changes are made.

3. The intervention prices of rape, turnip and sunflower seeds and the minimum price of soybean seed applicable in Portugal shall be derived respectively from the suggested and target prices referred to in Nos 1 and 2 pursuant to the provisions of the common market organization in question.

4. Until 31 December 1990, in trade exchanges of products transformed from vegetable oils destined for human consumption, with the exception of those transformed from olive oil, adequate measures shall be adopted to take into consideration the difference in the prices of these oils in Portugal and in the Community in its present composition.

#### Article 292

The Portuguese Republic shall apply a system of control in accordance with the methods to be determined, until 31 December 1990:

a) Of the quantities of seeds and oleaginous fruits; of flours from which the oil has not been extracted, as well as of all vegetable oils other than olive oil destined for human consumption, with the objective of avoiding a degradation of the conditions of competition among the different vegetable

oils. The volume of the quantities placed for consumption on the Portuguese market shall be established on the basis of consumption in Portugal, the level of this consumption evaluated within the framework of a balance established for each season pursuant to the procedure stipulated in Article 38 of Regulation No 136/66/EEC in terms of:

Portuguese consumption confirmed during the years 1980 to 1983;

foreseeable development of demand.

Pursuant to that same procedure, this balance could be updated during the season;

b) From the level of the prices to the consumer for vegetable oils referred to in line a) in such a way as to maintain--until 31 December 1991--in principle, the level of prices expressed in ECU's reached during the 1984/1985 season.

The control system referred to in line a) includes the replacement on 1 March 1986 of the sales systems applied to imports in Portugal, by a system of quantitative restrictions on imports, opened without discriminations among the economic operators of the Community in its present composition, as well as with respect to third countries.

2. In the case of exceptional circumstances, the control system described in the present article may be changed with respect to the products subject to it in the degree required to prevent imbalances in the markets of the different oils.

These changes are approved pursuant to the procedures specified in Article 38 of Regulation 136/66/EEC.

Article 293.

Community aid to olive oil production shall be introduced in Portugal at the beginning of the first season after accession, and approximated during the period of application of transitory measures, to the level of aid granted in the Community in its present composition, the provisions of Article 246 being applied after the necessary changes have been made.

Community aid to olive oil consumption shall be introduced in Portugal as of 1 January 1991, pursuant to a calendar to be determined, in the degree needed to reach the common level at the end of the period of application of transitory measures.

2. Aid to rape, turnip, sunflower, soy and flax seeds produced in Portugal shall be:

Introduced into Portugal as of the beginning of the first season after accession and,



increased subsequently during the period of application of the control system referred to in No 1 of Article 292,

in terms of the approximation, depending on the case, of the suggested or target price applicable in Portugal relative to the level of the common price.

At the end of the period referred to in the foregoing paragraph, the aid granted in Portugal shall be equal to the difference existing between the suggested or target applicable in this member state and the price on the world market, this difference being reduced by the effects of the customs duties applied by Portugal on imports from third countries.

3. Aid to the seeds referred to in No 2, produced in Portugal and transformed in the Community in its present composition, as well as the aid for the same seeds produced in the Community in its present composition and transformed in Portugal, shall be adapted in such a way that the respective difference between the level of prices of those seeds and seeds imports from third countries shall be taken into consideration.

4. On the other hand, when making the calculation for aid to the seeds of rape, turnips and sunflowers, the possibly applicable differential amount must be taken into consideration.

#### Article 294

During the 1986/1987 to 1994/1995 seasons, specific guarantee thresholds will be established for rape and turnip seeds, as well as for the sunflower seeds produced in Portugal.

For the 1986/1987 season, the thresholds are fixed at:

1,000 tons with respect to rape and turnip seeds;

48,000 tons with respect to sunflower seeds.

For the following seasons, these specific guarantee thresholds shall be determined pursuant to criteria comparable to those adopted for the establishment of guarantee thresholds in the Community in its present composition.

If a specific guarantee threshold were to be exceeded, penalties of responsibility shall be applied pursuant to rules similar to those applied in the Community in its present composition and with the same limits.

#### Article 295

1. The Portuguese Republic shall postpone until the end of the control system referred to in Article 292, the application of the preferential systems, conventional or autonomous, applied by the Community with respect to third countries in the sector of olive oil, oleaginous seeds and fruits and their byproducts.

2. As of 1 January 1991, the Portuguese Republic shall apply a duty which will reduce the difference between the rate of duty actually applied on 31 December 1990 and the rate of the preferential duty pursuant to the following calendar:

On 1 January 1991 the difference shall be reduced to 83.3 percent of the initial difference;

on 1 January 1992 the difference shall be reduced to 66.6 percent of the initial difference;

on 1 January 1993 the difference shall be reduced to 49.9 percent of the initial difference;

on 1 January 1994 the difference shall be reduced to 33.2 percent of the initial difference;

on 1 January 1995 the difference shall be reduced to 16.5 percent of the initial difference.

The Portuguese Republic shall apply preferential rates completely as of 1 January 1996.

#### Subsection 2--Tobacco

##### Article 296

The provisions of Article 236, and if necessary, Article 238, are applicable to the price of intervention established for each variety or group of varieties.

##### Article 297

The target price corresponding to the price of intervention referred to in Article 296 shall be established in Portugal for the first harvest after accession at a level which reflects the relationship existing between the target price and the price of intervention under the terms of No 2, second paragraph of Article 2 of EEC Regulation No 727/70, that establishes a common market organization in the sector of raw tobacco.

#### Subsection 3--Linen and Hemp

##### Article 298

The provisions of Article 246 are applicable to the aid to textile linen and hemp.

#### Subsection 4--Hops

##### Article 299

Aid to growers of hops referred to in Article 12 of EEC Regulation No 1696/71 shall be completely applied in Portugal as of the first harvest after accession.

#### Subsection 5--Seeds

##### Article 300

The provisions of Article 246 apply to the aid for seeds referred to in Article 3 of EEC Regulation No 2358/71.

#### Subsection 6--Silkworms

##### Article 301

The provisions of Article 246 apply to the aid to silkworm raising.

#### Subsection 7--Sugar and Isoglycose

##### Article 302

1. The provisions of Articles 236, 238 and 240 apply to the price of intervention for white sugar and to the base price of sugar beets. However, the compensatory total shall be corrected in the degree that it is necessary for the good operation of the common market organization because of the effect of the assessment for the leveling of storage costs.

2. Compensatory amounts may be established in the degree required to avoid any danger of an upset in trade exchanges between the Community in its present composition and Portugal with respect to raw sugar, and for products other than fresh sugar beets referred to in No 1 lines d) and f) of Article 1 of EEC Regulation 1785/81, which establishes the common market organization in the sugar sector.

In that case, the compensatory amounts shall result from the compensatory sum applicable to the base product in question, with recourse to a coefficient to be determined.

##### Article 303

During the period of 7 years after accession, the equalizing duty on raw cane sugar from the Ivory Coast, Malawi, Zimbabwe and Swaziland, which is imported by Portugal up to the limit of a maximum amount of 75,000 tons per year expressed in white sugar, shall be equal to the amount of the equalizing duty on raw sugar calculated pursuant to the rules of the common market organization, deducted from the difference between the threshold price and the price of intervention for raw sugar.

For the period from 1 March to 1 July 1986 and for the period from 1 July to 31 December 1992, the maximum annual amount above mentioned shall be reduced proportionately to the duration of those periods.

If, during the periods referred to above,

a) The forecast Community balance of raw sugar for a certain season or part of a season reveals that supplies of raw sugar are insufficient for insuring a proper supply for Portuguese refineries, or

b) Unforeseen and unusual circumstances justify it during the season or part of a season;

the Portuguese Republic is authorized, pursuant to the procedures stipulated in Article 41 of EEC Regulation No 1785/81, to import from third countries, during the season or part of the season in question, the quantities considered lacking, under the same conditions of reduced equalizing duties as those stipulated for the quantity referred to in the first paragraph.

#### Subsection 8--Fruits and Transformed Vegetable Products

##### Article 304

For those products which benefit from the aid stipulated in Article 3 of EEC Regulation No 516/77, which establishes the common market organization in the sector of fruits and transformed vegetable products, the following provisions are applied in Portugal:

1. Until the first approximation of prices referred to in Article 238, the minimum price stipulated in Article 3-B of EEC Regulation No 516/77 shall be established on the basis of:

The price fixed in Portugal under the effective period of the previous national system for the product destined for transformation, or in the absence of that price, on the prices paid in Portugal to the producers for the product destined for transformation, confirmed during a representative period to be determined.

2. If the minimum price referred to in No 1:

were inferior to the common price, the price in Portugal shall be changed at the beginning of each sales season after accession, pursuant to the rules stipulated in Article 238;

were higher than the common price, the latter shall be applied in Portugal as of accession.

3 a) For products transformed on the basis of tomatoes, during the first five seasons subsequent to accession or, in case of the application of No 2 of Article 260, during the first three seasons after accession, the total aid granted to Portugal by the Community shall be the aid calculated for the Community in its present composition, taking into consideration the difference of the minimum prices to the producer resulting from the application of No 2 of the present article, before the latter aid may be possibly reduced in the sequence of the transposition of the guarantee threshold fixed for these products in the Community in its present composition.

In the case of the transposition of the threshold in the Community in its present composition, if that becomes necessary to insure normal conditions of competition between Portuguese industries and those of the Community, a decision shall be made according to the procedure stipulated in Article 20 of EEC Regulation 516/77, that a compensatory amount, at the most equal to the difference between the aid established for Portugal and that which would have resulted from fixed Community aid, shall be applied pursuant to No 3, line a) of Article 240, and collected by the Portuguese Republic in exporting to third countries.

However, at the end of the system referred to by EEC Regulation No 1320/85, no compensatory amount shall be collected provided that there is proof that the Portuguese product did not benefit from the communitarian aid given to Portugal.

In no case shall the aid applicable in Portugal exceed the amount of aid granted in the Community in its present composition.

b) During the period referred to in line a), the granting of community aid in Portugal shall be limited for each season to a number of transformed products which correspond to a volume of fresh tomatoes of:  
685,000 tons for the manufacture of tomato concentrate;  
9,600 tons for the manufacture of peeled whole tomatoes;  
137 tons for other products based on tomatoes.

At the end of that period, the quantities established above, adapted in the terms of the possible change in the community thresholds adopted during the same period, shall be taken into consideration for the establishment of communitarian thresholds.

4. For products based on tomatoes, at the end of the referred to period in No 3 line a) and for the other products during the six seasons subsequent to accession, the amount of that communitarian aid granted in Portugal shall result from the aid fixed for the Community in its present composition, taking into consideration the difference in the minimum prices resulting from the application of No 2.

5. Community aid shall be completely applied in Portugal as of the beginning of the seventh sales season after accession.

6. For the purposes of the application of the present article, the minimum price and the aid in effect in the Community in its present composition refer to the amounts in effect in the Community in its present composition with the exception of Greece.

#### Article 305

The minimum prices and the financial compensation applicable in Portugal as stipulated by Articles 2 and 3 of EEC Regulation No 2601/69, which stipulates



special measures aimed at favoring the recourse of transformation with respect to certain varieties of oranges, and by Articles 1 and 2 of EEC Regulation No 1035/77, which stipulates special measures aimed at the sale of products transformed on the basis of lemons, shall be fixed in the following way:

1. Until the first approximation of prices referred to in Article 238, the minimum price applicable shall be established on the basis of prices paid in Portugal to the producers of citrus destined for transformation, confirmed during a representative period to be determined. Financial compensation applicable in Portugal at the time of each approximation phase is that of the Community in its present composition, subtracted, if necessary, from the difference existing between the common minimum price and the minimum price applied in Portugal.
2. For subsequent fixings, the minimum price applicable in Portugal shall be approximated to the common minimum price under the terms of Article 238. The financial compensation is that of the Community in its present composition, subtracted, if necessary, from the difference existing between the common minimum price and the minimum price applicable in Portugal.
3. However, if the minimum price resulting from the application of Nos 1 or 2 were higher than the common price, the latter may be definitively applied with respect to Portugal.

#### Subsection 2--Dry Feed

#### Article 306

1. The objective price stipulated in Article 4 of EEC Regulation No 117/78 that establishes the common market organization in the sector of dry feed applicable in Portugal on 1 March 1986, shall be fixed on the basis of the differences existing between the prices of the products involved in crop rotation in Portugal and in the Community in its present composition during a reference period to be determined.

Article 238 applies to the objective price calculated in the terms of the first paragraph. However, the objective price to be applied in Portugal may not exceed the common objective price.

2. Complementary aid applicable in Portugal shall be adjusted from an amount equal to:

The possible difference between the objective price in Portugal and the common objective price, multiplied by the percentage referred to in No 2 of Article 5 of EEC Regulation No 1117/78, and

the effects of customs duties applied in Portugal in imports of these products from third countries.

3. Article 246 is applied to the fixed aid referred to in Article 3 of EEC Regulation No 1117/78.

#### Subsection 10--Peas, Beans, Broad Beans and Sweet Peas

##### Article 307

1. The threshold price for the release of peas, beans, broad beans and sweet peas used in the manufacture of feed for animals, as well as the objective price for the other peas, beans and broad beans applicable in Portugal on 1 March 1986, shall be established in terms of the difference existing between the prices of the products involved in crop rotation in Portugal and the Community in its present composition during a reference period to be determined.

Article 238 applies to the threshold release price or to the objective price for the aforementioned products. However, the threshold release price or the objective price to be applied in Portugal may not exceed the common price.

2. For the products harvested in Portugal and used in the manufacture of feed for animals, products which are the object of EEC Regulation No 1431/82 that stipulates special measures for peas, beans, broad beans and sweet peas, the amount of aid referred to in No 1 of Article 3 of this regulation shall be subtracted from the possible difference existing between the release threshold price applied in Portugal and the common price.

Without prejudice to the application of the first paragraph, the amount of aid in question for a product transformed in Portugal shall be deducted from the amount of the customs duties applied in Portugal on imports of soybean bagasse from third countries.

The deductions referred to in the first and second paragraphs result from the application of the percentages referred to in No 1 of Article 3 of EEC Regulation No 1431/82.

3. The amount of aid referred to in No 2 of Article 3 of EEC Regulation No 1431 for peas, beans and broad beans harvested in Portugal and used in human or animal food for purposes that is not stipulated in No 1 of the same article shall be subtracted from an amount equal to the difference possibly existing between the objective price applied in Portugal and the common objective price. Without prejudice to the application of the first paragraph, the amount of aid in question, for a product transformed in Portugal, shall be subtracted from the amount of the customs duties applied in Portugal on imports of those products from third countries.

#### Subsection 11--Mutton and Goat Meat

##### Article 308

In the sector of mutton, Article 236 is applicable to the base prices.

Section V--Provisions Relative to Certain Common Market Organizations Subject to Transition by Phases

Subsection 1--Milk and Milk Products

a) First Phase

Article 309

The specific objectives referred to in Article 264 that are to be reached by the Portuguese Republic during the first phase, as well as the liberalization of milk products, are the following:

- a) Abolishment of the National Livestock Products Board (JNPP) as an agency of the state at the end of the first phase, as well as the progressive liberalization of domestic commerce, imports and exports, having as a goal free competition and free access to the Portuguese market;
- b) creation of a body of intervention and the creation of a material and human infrastructure that will allow operations of intervention;
- c) change of the present price structure in order to allow their free formation in the market, as well as the change of the relationship between the fat content and the nitrogenized content of the milk used in Portugal, approximating it to the relationship in effect in the Community;
- d) harmonization of domestic milk, butter and powdered milk prices on continental Portugal with those existing in the Azores;
- e) abolishment, in the degree possible, of national aid incompatible with the community duty and the progressive introduction of communitarian aid plans;
- f) abolishment of exclusiveness of milk collecting zones and the exclusiveness of pasteurization;
- g) creation of an information service of agricultural markets with a view to recording prices, as well as a suitable formation of administrative services that are necessary for the good operation of the common market organization of the sector in question.
- h) execution of measures aimed at favoring the modernization of production, transformation and sales structures.

a) Second Phase

Article 310

1. Until the first approximation, intervention prices of butter and powdered skim milk applicable in Portugal shall be calculated according to stipulated

rules and on the basis of figures taken into consideration in the common market organization.

Numbers 2 and 6 of Article 285 and Article 287 apply to intervention prices thus calculated.

If intervention prices applicable in the continental part of Portugal and the intervention prices applicable in the Azores are not equalized after the first phase, the approximation of these prices with respect to the common prices shall be carried out in accordance with rules to be determined.

2. For the products referred to in No 1, the compensatory amounts applicable in trade between the Community in its present composition and between Portugal and third countries shall be equal to the difference between common prices and the prices fixed in Portugal, corrected, if necessary, for taking into consideration the prices on the market observed in this member state.

Numbers 2 and 6 of Article 240 and Articles 241, 242 and 255 are applicable.

Article 311

The compensatory amount for milk products other than butter and powdered skim milk shall be fixed on the basis of coefficients to be determined.

Subsection 2--Beef

a) First Phase

Article 312

The specific objectives referred to in Article 264 to be attained by the Portuguese Republic during the first phase in the sector of beef are the following:

- a) Abolishment of the JNPP as an agency of the state at the end of the first phase, as well as the liberalization of imports and exports and the progressive liberalization of domestic trade, keeping in view the institution of a system of free competition and free access to the Portuguese market;
- b) creation of an intervention agency and the constitution of a material and human infrastructure that will allow the operations of intervention, as well as an adequate formation of the administrative services, indispensable for the good operation of the common market organization of the sector in question;
- c) free formation of prices in representative markets to be established;
- d) creation of an information system for agricultural markets, keeping in view the recording of prices and the introduction of the communitarian system for the grading of carcasses, keeping in mind the comparability of prices;

e) execution of measures destined to favor the modernization of the structures of production, transformation and sales, keeping in view an increase in the productivity of cattle raising and a greater profitability of the sector;

f) liberalization of trade exchanges on the zootechnical plane.

b) Second Phase

#### Article 313

1. In the beef sector, Articles 240, 285 and 287 apply to purchase prices of intervention in Portugal and the Community in its present composition, effective for comparable qualities determined on the basis of the communitarian system for the classification of grown cattle.

2. Articles 241, 242 and 255 are also applicable in this sector.

3. The compensatory amount for the other products referred to in No 1, line a) of Article 1 of EEC Regulation No 805/68 shall be fixed with recourse to coefficients to be determined.

#### Article 314

Article 288 applies to the premium for the maintenance of herds of cows that nurse calves.

#### Subsection 3--Fruits and Vegetable Products

a) First Phase

#### Article 315

1. The specific objectives referred to in Article 264 to be attained by the Portuguese Republic during the first phase in the sector of fruits and vegetable products, are the following:

a) Abolishment of the National Fruit Board (JNF) as an agency of the state at the end of the first phase;

b) development of producer organizations in the acceptance of communitarian regulations;

c) progressive and generalized application of common quality standards;

d) creation of an intervention agency and the constitution of a material and human resource infrastructure that will allow the operations of intervention;



e) free formation of prices and the pertinent daily confirmation in representative markets to be established with respect to the different products;

f) creation of an information service for agricultural markets, having in view the daily recording of prices, as well as the suitable formation of administrative services, necessary for the good operation of the common market organization.

2. In order to encourage growers or their organization to sell products in conformity with the standards of quality, the Portuguese Republic shall share, during the first phase, by means of adequate aid, in the costs of packaging and preparation of those products.

#### Article 316

In derogation of No 1 of Article 272, the reference price applied by the Community in its present composition with respect to Portugal shall be fixed in the terms of the provisions of EEC Regulation No 1035/75 in effect on 31 December 1985.

The possible compensation duties on imports of products from Portugal resulting from the application of EEC Regulation 1035/72 shall be reduced by:

2 percent the first year,  
4 percent the second year,  
6 percent the third year,  
if necessary, 8 percent on the fourth and fifth years subsequent to the date of accession.

#### b) Second Phase

#### Article 317

In the sector of fruits and vegetable products, Article 285 is applied to the base price.

Article 255 is likewise applicable in this sector.

#### Article 318

During the second phase, for the fruit and products from Portugal with respect to which a reference price has been fixed relative to third countries, a mechanism of compensation shall be introduced when it is imported into the Community.

1. This mechanism is regulated by the following rules:

a) A comparison shall be made between one bid price for the Portuguese product, calculated under the terms of line b), and the bid price for the communitarian product. The latter price is calculated annually as follows:

On the basis of the arithmetic average of prices for the production of each member state of the Community in its present composition, to which are added the cost of transportation and packaging, which may burden the products from the producing region, to the representative consumption centers of the Community,

and taking into consideration the changes in the costs of production.

The prices of production referred to correspond to the average prices confirmed during the 3 years which precede the date of fixing the communitarian bid price.

The communitarian bid price cannot exceed the reference price level applied with respect to third countries.

b) The Portuguese bid price is calculated every market day on the basis of representative prices verified or reduced to the importer-wholesaler level in the Community in its present composition. The price of a product coming from Portugal is equal to the lowest representative price or to the average of the lowest representative prices verified with respect to at least 30 percent of the quantities of the products in question sold in all the representative markets with respect to which there are price quotations available. This or these prices shall be previously subtracted:

from the customs duty calculated under the terms of line c);

from the correcting amount possibly instituted under the terms of line d).

c) The customs duty to be deducted from the prices of the Portuguese product is the duty from the common customs tariff list, progressively reduced every year at the beginning of the season:

by one-fifth of its total if the second phase were to have a duration of 5 years;

by one-seventh of its total if the second phase were to have a duration of 7 years.

However, the first reduction shall take place as of the beginning of the second phase.

d) If the price of the Portuguese product calculated under the terms of line b) were to be lower than the communitarian bid price referred to in line a), a corrective amount equal to the difference between these two prices shall be collected from the imports by the Community in its present composition by the importing member state.

e) The collection of the corrective amount is done until investigations made reveal that the price of the Portuguese product is equal to or higher than the communitarian price referred to in line a).

2. If the Portuguese market were to be prejudiced as a result of imports from the Community in its present composition, adequate measures may be adopted, which could stipulate specifically the application of a corrective amount pursuant to rules to be determined with respect to imports into Portugal of fruits and vegetables from the Community in its present composition on which a reference price has been established.

#### Subsection 4--Cereals

##### a) First Phase

#### Article 319

The specific objectives referred to in Article 264 that are to be attained by the Portuguese Republic during the first phase in the sector of cereals are the following:

a) Dismantlement of the sales monopoly by the Cereal Supply Public Company (EPAC) no later than the end of the first phase; the progressive liberalization of domestic commerce and exports, keeping in view the installation of a system of free competition in the Portuguese market.

b) Progressive elimination of the import monopoly held by the EPAC during a period of 4 years.

c) Creation of an intervention agency and the creation of a material and human infrastructure which will allow intervention operations.

d) Free formation of prices.

e) Creation of an information service of agricultural markets with a view to recording prices, as well as the adequate formation of the administrative services needed for the good operation of the common market organization.

#### Article 320

1. The Portuguese Republic shall progressively adapt, during the course of the first 4 years subsequent to accession, the monopoly held by the EPAC with respect to imports and sales of cereals in Portugal in such a way that at the end of the fourth year the abolishment of any discrimination among the nationals of the member states with respect to conditions of supply and sales shall have been assured.

2. For this purpose the Portuguese Republic shall adapt its regulations referred to in Article 261 and may, in derogation of Article 277, apply a system to imports organized in the following way:

a) Imports of cereals into Portugal shall be made in percentages of the annual quantities imported during the previous year respectively by the EPAC and by private operators up to the limit of the following percentages:

| Year | EPAC       | Private Operators |
|------|------------|-------------------|
| 1986 | 80 percent | 20 percent        |
| 1987 | 60 percent | 40 percent        |
| 1988 | 40 percent | 60 percent        |
| 1989 | 20 percent | 80 percent        |
| 1990 | -          | 100 percent       |

b) The imports referred to in line a) to be made by private operators shall be assigned by open adjudications without discrimination among the economic operators.

Within the framework of these adjudications, bid prices relative to the products originating in the Community are corrected by:

the difference between the Community market prices and world market prices, and,

an amount corresponding to a fixed preference equal to 5 ECU's per ton.

c) If imports of products from the Community per year do not amount to a minimum quantity of 15 percent of the total amount of cereals imported during that same year, the EPAC shall buy the amount lacking to make up that 15 percent mentioned above from the Community the following year. As a result, this quantity shall be added to the obligation to buy 15 percent in the new year.

A intermediate balance shall be established at the end of the 1988/1989 season. If on the basis of this balance made, it is noted that the obligation to buy for 1989 runs the risk of not being fulfilled, the measures required to guarantee fulfillment with that obligation may be adopted.

b) Second Phase

Article 321

In the sector of cereals, Articles 240, 285 and 287 apply to the prices of intervention.

Also applicable in this sector are Articles 241, 242 and 255.

## Article 322

1. With respect to cereals for which an intervention price has not been fixed, the applicable compensatory amount shall result from the applicable to barley, taking into consideration the relationship existing between the threshold prices of the cereals in question.
2. For the products referred to in line c) of Article 1 of EEC Regulation No 2727/75, which establishes the common market organization in the sector of cereals, the compensatory amount shall result from the compensatory amount applicable to the cereals with which those products are related, with recourse to a coefficient to be determined.

## Article 323

Article 288 is applied to aid for hard wheat referred to in Article 10 of EEC Regulation No 2727/75.

## Subsection 5--Pork

### a) First Phase

## Article 324

The specific objectives referred to in Article 264, which Portugal must attain during the first phase in the pork sector, are the following:

- a) Abolishment of the JNPP as an agency of the state at the end of the first phase, as well as the progressive liberalization of domestic commerce, imports and exports, having in view the assurance of a system of free competition and free access to the Portuguese market.
- b) The creation of an intervention agency and the creation of a material and human infrastructure that will allow intervention operations adapted to the new conditions of the Portuguese market.
- c) Free formation of prices in representative markets to be established.
- d) Creation of an information service of agricultural markets, having in view the recording of prices, as well as an adequate formation of administrative services needed for the good operation of the common market organization.
- e) Execution of measures destined for favoring the modernization of production, transformation and sales structures, having in mind a greater profitability of the sector.
- f) Continuation and intensification of the fight against African Swine Fever, particularly the development of closed circuit production units.



b) Second Phase

Article 325

1. In the sector of pork, the compensatory amount shall be calculated on the basis of the compensatory amounts applicable to feed cereals. For this purpose, the amount applicable per kilogram of slaughtered pork shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed cereals required for the production of one kilogram of pork in the Community.

However, if that amount were not representative, Articles 240, 285 and 287 apply to the price of this produce in Portugal and in the Community in its present composition.

2. Also applicable in this sector are Articles 241, 242 and 255.

3. For products other than the slaughtered hog referred to in No 1 of Article 1 of EEC Regulation No 2759/75, the compensatory amount shall result from that applied under the terms of No 1 or No 2, with recourse to coefficients to be determined.

Subsection 6--Eggs

a) First Phase

Article 326

The specific objectives referred to in Article 264 to be attained by the Portuguese Republic during the first phase in the egg sector are the following:

a) Abolishment of the JNPP as a state agency at the end of the first phase and the progressive liberalization of domestic commerce, imports and exports, with a view to insuring a system of free competition and free access to the Portuguese market.

b) Free formation of prices.

c) Creation of an information service of agricultural markets, having in view the recording of prices.

d) Execution of measures destined to favor the modernation of the structures of production and transformation.

b) Second Phase

Article 327

1. Articles 240, 241, 242 and 255 apply in the egg sector without prejudice to the provisions of the following numbers.

2. The compensatory amount applicable per kilogram of eggs in the shell shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed cereals required for the production of a kilogram of eggs in the shell in the Community.

3. The compensatory amount applicable per egg for incubation shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed cereals for the production of one egg for incubation purposes in the Community.

4. For the products referred to in No 1, line b) of Article 1 of ECC Regulation No 2771/75, which establishes the common market organization in the egg sector, the compensatory amount shall be the result of the compensatory amount for eggs in the shell, with recourse to coefficients to be determined.

#### Subsection 7--Domestic Fowl Meat

##### a) First Phase

#### Article 328

The specific objectives referred to in Article 264 which are to be attained by the Portuguese Republic during the first phase in the sector of domestic fowl meat shall be the same as those mentioned in Article 326 for eggs.

##### b) Second Phase

#### Article 329

1. Articles 240, 241, 242 and 255 apply in the sector of domestic fowl meat without prejudice to the provisions of subsequent numbers.

2. The compensatory amount applicable per kilogram of domestic fowl flesh shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed cereals required for the production of one kilogram of domestic fowl, separated by species, in the Community.

3. The compensatory amount applicable per young chicken shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed cereals required for the production of a young chicken in the Community.

4. For the products referred to in No 2 line d) of Article 1 of EEC Regulation 2777/75, which establishes the common market organization in the sector of domestic fowl meat, the compensatory amount results from that which is applicable to slaughtered fowl, with recourse to coefficients to be determined.

## Subsection 8--Rice

### a) First Phase

#### Article 330

The specific objectives referred to in Article 264 that are to be attained by the Portuguese Republic during the first phase in the rice sector, are the same as those mentioned in Article 319 on cereals.

#### Article 331

1. During the first phase, the Portuguese Republic shall progressively adapt the monopoly exercised by the EPAC with respect to imports and sales of rice in Portugal in such a way that at the end of the first phase the abolishment of any discrimination among the nationals of member states will be insured inasfar as conditions of supply and sales on the market are concerned.

2. Article 320 is applicable, after necessary changes are made, on imports of rice into Portugal.

### b) Second Phase

#### Article 332

1. In the rice sector, Articles 240, 285 and 287 apply to the intervention price of unhulled rice (Paddy rice).

Equally applicable in this sector are Articles 241, 242 and 255.

2. For unmilled rice, the compensatory amount shall be that which is applicable to unhulled rice (Paddy rice), converted by means of a conversion rate referred to in Article 1 of EEC Regulation 467/67.

3. For milled rice, the compensatory amount shall be that which is applicable to unmilled rice, converted by means of a conversion rate referred to in Article 1 of EEC Regulation No 467/67.

4. For semimilled rice, the compensatory amount shall be that applicable to milled rice, converted by means of the conversion rate referred to in Article 1 of EEC Regulation 467/67.

5. For the products referred to in No 1 line c) of Article 1 of EEC Regulation 1418/76, which establishes the common market organization in the rice sector, the compensatory amount shall result from that which is applicable to the products related to it, with recourse to coefficients to be established.

6. For broken rice, the compensatory amounts shall be fixed at a level that takes into consideration the difference existing between the supply price in Portugal and the threshold price.

#### Subsection 9--Wine

##### a) First Phase

#### Article 333

The specific objectives referred to in Article 264 to be attained by the Portuguese Republic during the first phase in the wine sector are the following:

- a) Abolishment of the National Wine Board (JNV) as an agency of the state at the end of the first phase, the adaptation of other state agencies of the wine sector during the first phase, as well as the liberalization of the domestic market, imports and exports, and the transfer of the activities controlled by the state in matters of storage and distillation in favor of the producers and producer associations.
- b) Progressive institution of the system of oversight of vineyards, similar to that of the Community, which allows an actual discipline in plantings.
- c) Accomplishment of a project of ampelography (classification of the types of grape vines) and synonymy (equivalence between the names of the types of grape vines in Portugal on one hand, and, on the other, the equivalence between Portuguese names and the names used in the Community in its present composition), prior to the organization of a system of statistical surveys on grape-growing areas, in the acceptance of communitarian regulation and the realization of specific work on a viticultural census.
- d) Creation or transference of distillation centers in sufficient number and capacity so as to allow the necessary services to the wine sector.
- e) Creation of a service of information on agricultural markets, specifically designed for raising prices and for a regular statistical analysis.
- f) Formation of administrative services indispensable for the good operation of the common organization of the wine grape growers market.
- g) Progressive adaptation of the Portuguese price system to the community price system.
- h) Prohibition of the irrigation of the wine grape vineyards, as well as the planting of any new vineyards on irrigated areas.
- i) Execution, within the framework of the system of plantings, of a plan for the restructuring and reconversion of Portuguese vineyards that will correspond with the objectives of the wine grape vineyard policy of the Community.

#### Article 334

The Portuguese Republic shall take adequate measures to prevent the enlargement of the area of vineyards for producing wine with a natural alcohol assay of 7 percent by volume or less during the first phase.

#### Article 335

In derogation of communitarian regulations relative to the maximum content of sulphuric anhydrides of wines, the Portuguese Republic is authorized to apply the limits applied in this matter under the previous national system during the first phase with respect to wines produced in its territory.

However, the Portuguese Republic shall take adequate measures so that during the first phase the content of sulphuric anhydrides will be progressively lowered to communitarian levels so that they may be completely complied with as of the beginning of the second phase.

#### Article 336

During the course of the first phase, the Portuguese Republic shall establish a classification of the "breeds" of grapevines relative to Portuguese vineyards on the basis of the study of ampelography and synonymy referred to in Article 333, under the terms of Article 31 of EEC Regulation No 337/79 and the applicable provisions of the latter article.

#### b) Second Phase

#### Article 337

Articles 285 and 287 apply to the guideline prices for table wines in the grape-growing, wine-making sector.

#### Article 338

1. For the products from Portugal referred to in No 2, with respect to which a reference price has been established within the framework of the common market organization, a mechanism of regulatory amounts shall be introduced with respect to their imports into the Community in its present composition.

2. This mechanism is regulated by the following rules:

a) For table wines, a regulating amount equal to the difference between the guideline prices in Portugal and the Community in its present composition, is charged. However, the level of this amount may be adapted pursuant to the procedure stipulated in Article 67 of EEC Regulation No 337/79 so as to take into consideration the status of market prices, checked according to the different classes of wines and in terms of their quality;



b) for certain wines with a name of origin and for the other products capable of creating a disturbance in the market, a regulating amount may be established pursuant to the procedure stipulated in line a). This regulatory amount will result from that which is applied to table wines pursuant to rules to be determined.

3. The regulatory amount shall be limited to a level that will insure conditions of treatment no less favorable than the conditions existing during the system prior to accession. For that purpose, this amount shall be calculated in such a way that the amount obtained to improve the guideline price applicable in Portugal for the product in question and the customs duties applicable to it, shall not exceed the reference price in effect for the product during the previous season.

4. Taking into consideration the special situation of the market for the different products referred to in No 2, it may be decided, pursuant to the procedure stipulated in Article 67 of EEC Regulation No 377/79, to establish a regulatory amount on exports of one or several of those products by the Community in its present composition to Portugal.

This amount is fixed at a level that will allow the assurance of a normal flow of trade between the Community in its present composition and Portugal that will not create an upheaval in Portuguese markets on the products in question.

5. The regulatory amount granted shall be financed by the Community by means of the FEOGA, Guarantee Section.

#### Article 339

Article 288 applies to the aid to the use of must or must concentrates to be used for making grape juice.

#### Article 340

1. The Portuguese Republic, during the second phase, shall proceed to the elimination of the cultivation of land planted in authorized breeds temporarily, pursuant to the classification established under the terms of Article 333.

2. During the second phase, the Portuguese Republic shall proceed to the elimination of cultivation of areas planted with varieties of direct producer hybrids not contained in the classification, pursuant to the provisions of EEC Regulation No 3800/81.

Until the end of the second phase, those varieties shall be equated with the breeds of vines temporarily authorized.

3. In derogation of Article 49 of EEC Regulation No 337/79, grapes of the temporarily authorized breeds under the terms of Nos 1 and 2, may be used for making the products referred to in that article until the end of the second phase.

#### Article 341

1. Up to the end of 1995, the wines produced in the young wine region with an alcoholic content of less than 8.5 percent by volume may only travel in bulk in the respective region of production.

With respect to these wines, the indication of the alcoholic content acquired must be shown on the label.

#### Section VI

##### Other Provisions

##### Subsection 1--Veterinary Measures

#### Article 342

With respect to trade in fresh domestic fowl meat in its territory, the Portuguese Republic is authorized to postpone the application of EEC Directive No 71/118 relative to health problems in matters of trade in fresh domestic fowl meat, until no later than 31 December 1988.

#### Article 343

The Portuguese Republic is authorized to maintain restrictions on imports of purebred beef breeding stock until no later than 31 December 1990, in case the breeds in question are not on the lists authorized in Portugal.

##### Subsection 2--Measures on Legislation on Seeds and Propagulum

#### Article 344

1. The Portuguese Republic is authorized to postpone the application of the directives listed below in its territory according to the following calendar:

- a) Until no later than 31 December 1988 with respect to Directives:
  - 66/402/EEC, relative to the sale of forage plant seeds for the species *Lolium multiflorum* Lam., *Lolium Perenne* L. and *Vicia Sativa* L;
  - 66/402/EEC, relative to the sale of seed cereals of the species *Hordium vulgare* L., *Oryza Sativa* L., *Triticum Aestivum* L., *Fiori* and *Pool*, *Triticum Durum* Desf. and *Zea Plus* L.;
  - 70/457/EEC relative to the common catalogue of varieties of the species of agricultural propagules for the species referred to in the foregoing sections;

b) Until no later than 31 December 1990 with respect to Directives:

66/400/EEC relative to the sale of sugar beet seeds,  
66/401/EEC for the species that are other than those referred to in the first section of line a),  
66/402/EEC for the species that are other than the ones referred to in the second section of line a),  
66/403/EEC relative to the sale of seed potatoes,  
66/404/EEC relative to the sale of reproductive forestry materials;  
68/193/EEC relative to the sale of materials for the vegetative multiplication of grape vines,  
69/208/EEC relative to the sale of oleaginous plant seeds and fiber plant seeds,  
70/457/EEC for the species that are other than those referred to in the third section of line a),  
70/458/EEC relative to the sale of vegetable product seeds,  
71/161/EEC relative to foreign quality standards of forestry reproduction materials sold in the Community.

2. The Portuguese Republic shall:

a) Take the necessary measures for progressively complying with the provisions of the directives cited in No 1 no later than the end of the periods referred to in No 1;

b) it may limit, before the end of the periods referred to in No 1, totally or partially, the sale of seeds or propagules of the varieties admitted for sale in its territory. With respect to the varieties referred to in Directives No 70/457/EEC and 70/458/EEC, the varieties admitted for sale in its territory as of 1 March 1986 are those contained in the list revealed in Conference.

During the periods granted to the Portuguese Republic for complying with the two aforementioned directives, this member state shall add to this list every year, in order to insure the progressive opening of the Portuguese market to the other varieties included in the common catalogues;

c) It shall only export to the territory of the present member states those seeds and propagules that are in conformity with the communitarian provisions;

d) it shall subject imported seeds and propagules imported from third countries:

to the communitarian conditions established in the matter of equivalency and, with respect to variety, at least to the same restrictions on sales that are applied to the varieties included in the common catalogues.

3. During the period of application of the derogations referred to in No 1, it may be decided, pursuant to the procedures of the Permanent Committee on Agricultural and Forestry Seeds and Propagules, to effect the progressive liberalization of trade exchanges in seeds and propagules of certain species between Portugal and the Community in its present composition. This liberalization will primarily have to do with the seeds that may be the object of a communitarian decision of equivalency prior to accession. This liberalization shall cover other species provided that it is confirmed that the conditions exist for such liberalization.

#### Subsection 3--Phytosanitary Measures

##### Article 345

The Portuguese Republic is authorized to postpone until no later than 31 December 1990, the application of Directive No 69/465/EEC relative to the fight against the golden nematode.

#### Chapter 4--Fishing

##### Section I--General Provisions

##### Article 346

1. Except for provisions contrary to this present chapter, the rules stipulated by the present Act are applicable to the fishing sector.
2. The provisions of No 3 of Article 234; line c) of Article 253 and Article 257 are applicable to the products of fishing.

##### Section II--Access to Waters and Resources

##### Article 347

For the purposes of its integration into the communitarian system of conservation and management of fishing resources instituted by EEC Regulation No 170/83, access to the waters under the sovereignty or jurisdiction of the present member states and covered by the International Council for the Exploration of the SEA (ICES), by ships flying the Portuguese flag, is subject to the system described in the present section.

##### Article 348

Only the ships referred to in Article 349 may exercise their fishing activities in the zones, and under the conditions determined in that respect.

##### Article 349

1. Fishing activities by Portuguese ships are limited to the ICES sections Vb, VI, VII and VIII a, b, d, with the exception, during the period between

the date of accession and 31 December 1995, of the zone located south of 56 degrees 30 minutes north latitude, east of 12 degrees West longitude and north of 50 degrees 30 minutes north latitude, and within the limits and conditions described in Nos 2, 3 and 4.

2. The possibilities of fishing limited to the catching of pichelim or verdinho and carapau and chicharro. The names rendered as published. [No such names appear in available dictionaries], as well as the number of corresponding ships and the respective rules for access and control, shall be established annually in the terms of Article 11 of EEC Regulation No 170/83 and for the first time before 1 January 1986.

3. In addition, the possibilities of fishing with respect to the species that are not subject to the system of total admissible catches, in the future referred to as "TAC", as well as the number of corresponding ships, may be established in the terms of Article 11 of EEC Regulation No 170/83 on the basis of the existing situation of Portuguese fishing activities in the waters of the Community in its present composition during the period immediately before accession, as well as on the need to insure the conservation of the populational units (stocks), and taking into consideration, moreover, the limits introduced on fishing by ships of the present member states in Portuguese waters with respect to similar species.

4. The conditions of the exercise of specialized fishing activities shall be in keeping with those stipulated for fishing for the same species contained in Article 160.

5. Provisions aimed at insuring compliance by operators of the regulations stipulated in the present article, including those destined to make possible the nonauthorization of the ship in question to fishing during a certain period, shall be adopted before 1 January 1986, pursuant to the procedure stipulated in Article 11 of EEC Regulation No 170/83.

Technical rules corresponding to those referred to in No 3 of the second paragraph of Article 163 shall be adopted before 1 January 1986 pursuant to the procedure stipulated in Article 14 of EEC Regulation No 170/83.

6. The rules for the application of the present article shall be adopted before 1 January 1986, pursuant to the procedure stipulated in Article 14 of EEC Regulation No 170/83.

#### Article 350

Before 31 December 1992, the Commission shall present to the Council a report on the situation and the prospects for fishing in the Community in terms of the application of Articles 349 and 351. Based on this report, the adaptations of the system stipulated in Articles 349 and 351, which may show themselves to be necessary, including those relative to access to other zones which are not those referred to in No 1 of Article 349, shall be adopted before 31 December 1993 pursuant to the procedure stipulated in Article 43 of the EEC Treaty and will produce effects on 1 January 1996.



## Article 351

1. Only the ships flying the flag of a present member state referred to in this article may exercise their fishing activities in waters under the sovereignty or jurisdiction of the Portuguese Republic and only in the zones and under the conditions described in the terms of the following numbers.
2. The number of those ships authorized to perform fishing activities with respect to pelagic species not subject to TAC's and quotas, with the exceptions of the highly migratory species in the ICES IX and X divisions and in the CECAF [Fishery Committee for the Eastern Central Atlantic] in the terms of Article 11 of EEC Regulation No 170/83 on the basis of the existing situation in terms of fishing activities within the Community in its present composition, in Portuguese waters during the period immediately before accession, as well as on the need to insure the conservation of the population units (stocks) and taking into consideration, in addition, the limits introduced into fishing by Portuguese ships in the waters of the Community in its present composition with respect to similar species, for the first time before 1 January 1986.

The conditions for special fishing activities shall be pursuant to those for fishing for the same species in Article 160.

3. Up to 31 December 1995, in the Division X of ICES and in the CECAF zone, without prejudice to No 4 and on the basis of the fishing practices of the present member states during the years prior to accession, fishing for flying tuna is only authorized during a period that does not exceed 8 weeks between 1 May and 31 August of the year in question, by a maximum of 110 fishing ships using lines for trolling, ships whose length must not exceed 26 meters. The list of authorized ships shall be sent to the Commission by the interested member states no later than the 30th day which precedes the opening period of fishing.

4. With respect to tropical tuna, fishing activities are limited until 31 December 1995 to the X Division of the ICES south of 36 degrees 30 minutes North, and to the CECAF zone south of 31 degrees North and north of this parallel to west of 17 degrees 30 minutes West.

5. Provisions aimed at insuring compliance by operators of the regulations stipulated in the present article, including those aimed at making possible the nonauthorization of the ship in question to fish during a certain period, shall be adopted before 1 January 1986 according to the procedure stipulated in Article 11 of EEC Regulation No 170/83.

Technical methods which correspond to those referred to in No 3, second paragraph of Article 163, shall be adopted prior to 1 January 1986 according to the procedure stipulated in Article 14 of EEC Regulation No 170/83.

6. Rules for application of the present article shall be adopted prior to 1 January 1986 pursuant to procedures stipulated in Article 14 of EEC Regulation No 170/83.

## Article 352

1. For the purpose of its integration into the communitarian system of fishing resources conservation instituted by EEC Regulation No 170/83, access to ships flying the Spanish flag and enrolled or registered at a port located in territory to which the common fishing policy applies, to waters under the sovereignty or jurisdiction of Portugal covered by the ICES and CECAF, is subject to the system described in Nos 2 to 9 until 31 December 1995.
2. The following activities may be performed by the ships referred to in No 1 as part of the main fishing activity.
3. The use of gill nets is forbidden.
4. Each trawler may not put out more than two trotlines per day; the maximum length of each of these trotlines is fixed at 20 nautical miles and the distance between hooks may not be less than 2.7 meters.
5. Fishing for crustaceans is not authorized. However, the taking of them is authorized when taken during fishing for cod or other bottom species up to the limit of 10 percent of the volume of catches of these species taken on board.
6. The number of ships authorized to fish for flying tuna shall be approved before 1 March 1986, pursuant to the procedure stipulated in Article 11 of EEC Regulation No 170/83.
7. The possibilities and conditions of access to waters under the sovereignty or jurisdiction of Portugal in ICES division X and the CECAF zone shall be approved pursuant to the procedures stipulated in No 3 of Article 155.
8. The technical methods of application of the present article shall be adopted similarly to those included in Annex XI prior to 1 January 1986 in accordance with the procedure stipulated by Article 14 of EEC Regulation No 170/83.
9. The provisions aimed at insuring compliance by operators of the regulations stipulated in the present article, including those aimed at making possible the nonauthorization for the ship in question to fish during a certain period, shall be adopted before 1 January 1986 pursuant to the procedure stipulated in Article 11 of EEC Regulation No 170/83.

## Article 353

The system described in Articles 347 to 350, including the adaptations that may be adopted by the Council as stipulated in Article 350, remains applicable until the date of the end of the period set in No 3 of Article 8 of EEC Regulation No 170/83.

| Species  | Quantities<br>in tons | Zones  | Types of<br>Fishing<br>Authorized | Total Number<br>of ships<br>authorized<br>Basic list   | Number of ships<br>authorized to<br>fish simulta-<br>neously<br>Periodic list  | Authorized<br>fishing<br>period |
|--|-----------------------|--|-----------------------------------|--|--|---------------------------------|
| Bottom<br>species  |                       |  |                                   |  |  |                                 |
| Cod  | 850                   | ICES IX +<br>CECAF (Con-<br>tinental<br>Coast) | Dragnet<br><br>Dragnet            | North of the<br>Peniche Par-<br>allel(Cape<br>Carvoeiro)<br>17<br><br>South of the<br>Peniche par-<br>allel (Cape<br>Carvoeiro)<br>4 | North of the<br>Peniche Par-<br>allel (Cape<br>Carvoeiro)<br>9<br><br>South of the<br>Parallel of<br>Peniche(Cape<br>Carvoeiro)<br>2     | The entire<br>year              |
| Pelagic<br>species   |                       |  |                                   |  |  |                                 |
| Carapau<br>and<br>Chicharro  | 2,250                 | ICES IX +<br>CECAF (Con-<br>tinental<br>Coast) | Dragnet                           |  |  |                                 |
| Great mi-<br>grators,<br>with ex-<br>ception of<br>swordfish,<br>shark (Cachar-<br>hinae),<br>xaputa |                       | ICES IX+<br>CECAF (Con-<br>tinental<br>Coast   | Surface<br>trawl                  | -  | North of the<br>parallel of<br>Peniche (Cape<br>Carvoeiro)<br>75<br><br>South of the<br>parallel of<br>Peniche (Cape<br>Carvoeiro)<br>15 | The entire<br>year              |
| Flying tuna  |                       | ICES IX+<br>CECAF                              | Trolling                          | -  | To be determined   | From May<br>to June             |

### Section III--Foreign Resources

1. As of accession, the management of fishing agreements concluded by the Portuguese Republic with third countries shall be assured by the Community.
2. The rights and obligations resulting for the Portuguese Republic as a result of the agreements referred to in No 1 shall not be affected during the period in which the provision of these agreements were provisionally maintained.
3. As soon as possible, and in any case before the end of the agreements referred to in No 1, the Council, deliberating by a qualified majority and at the proposal of the Commission, shall adopt the suitable decisions in each case for the preservation of the fishing activities resulting from them, including the possibility of extending certain agreement for periods of 1 year as a maximum.

#### Article 355

1. Exemptions, suspensions or tariff list quotas granted by the Portuguese Republic for fresh fish products from Morocco and from the common enterprises of fishing constituted among single or collective persons of Portugal or Morocco, when directly landed in Portugal, shall be eliminated no later than 31 December 1992.
2. Products imports under the protection of this system may not be considered as of free movement, under the acceptance of Article 10 of the EEC Treaty when reexported to another member state.
3. Only the products referred to in No 1 from the common Luso-Moroccan enterprises and the ships used by those companies, whose list is included in Annex XXVII, may profit from the measures stipulated in the present article.  
  
The ships in question may in no case be replaced in case of their sale, disappearance or demolition.
4. The rules for application of the present article shall be adopted in accordance with the procedure stipulated in Article 33 of EEC Regulation No 3796/81.

### Section IV--Common Market Organization

#### Article 356

1. Guideline prices applicable to Atlantic sardines in Portugal, on the one hand, and in the Community in its present composition, on the other, shall be subject to an approximation under the terms of the provisions of No 2, with the first approximation taking place on 1 March 1986.

2. The guideline prices applicable in Portugal, on one hand, and in the Community in its present composition, on the other, shall be the object of an approximation in ten annual phases with respect to the level of guideline prices for sardines from the Mediterranean on the basis of 1984 prices successively of one-tenth, one-ninth, one-eighth, one-seventh, one-sixth, one-fifth, one-fourth, one-third and one half of the difference between these guideline prices applicable before each approximation. The prices resulting from this calculation shall be established proportionately in terms of a possible adaptation of the guideline price for the following season. The common price shall be adapted as of the date of the tenth approximation.

#### Article 357

1. During the period of the approximation of prices referred to in Article 356, a system of oversight shall be instituted on the basis of reference prices applicable to imports of Atlantic sardines from Portugal into the Community in its present composition.
2. At the time of each price approximation phase, reference prices referred to in No 1 shall be fixed at the level of call prices applicable in the other member states with respect to Mediterranean sardines.
3. In case of a disturbance in the market due to imports referred to in No 1, caused by prices which are lower than the reference prices, measures similar to those stipulated in Article 21 of EEC Regulation No 3796/81 may be taken according to the procedures stipulated in Article 33 of the aforementioned regulation.
4. The rules for the application of the present article shall be adopted in keeping with the procedure stipulated in Article 33 of EEC Regulation No 3796/81.

#### Article 358

1. As of accession, a system of compensatory subsidies shall be instituted for the sardine producers of the Community in its present composition with respect to the special price approximation system applicable to this species under the terms of Article 356.
2. Before the end of the period of price approximation, the Council, deliberating by a qualified majority at the proposal of the Commission, shall decide, if necessary, to what degree the system referred to in the present article should be extended.
3. The Council, deliberating by a qualified majority, at the proposal of the Commission, shall adopt the rules for the application of the present article before 31 December 1985.



## Article 359

During the period of price approximation, the coefficients of adaptation applicable to sardines in 1984, stipulated in No 1 of Article 12 of EEC Regulation No 3796/81, shall not be changed.

## Section V--System Applicable To Trade

## Article 360

1. In derogation of Article 190 customs duties applicable to fishing products included in items and subitems 03.01, 02.02, 03.03, 05.15A, 16.05 and 23.01B of the common customs tariff list shall be progressively abolished according to the following calendar:

a) With respect to the products imported into the other member states of the Community from Portugal:

On 1 March 1986 each duty shall be reduced to 85.7 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 71.4 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 57.1 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 42.8 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 28.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 14.2 percent of the base duty;  
the last reduction of 14.2 percent shall be accomplished on 1 January 1992.

b) With respect to the products imported into Portugal from the other member states of the Community:

On 1 March 1986 each duty shall be reduced to 87.5 percent of the base duty;  
on 1 January 1987 each duty shall be reduced to 75 percent of the base duty;  
on 1 January 1988 each duty shall be reduced to 62.5 percent of the base duty;  
on 1 January 1989 each duty shall be reduced to 50 percent of the base duty;  
on 1 January 1990 each duty shall be reduced to 37.5 percent of the base duty;  
on 1 January 1991 each duty shall be reduced to 25 percent of the base duty;  
on 1 January 1992 each duty shall be reduced to 12.5 percent of the base duty;  
the last reduction of 12.5 percent shall be made on 1 January 1993.

4. In derogation of Article 197, the Portuguese Republic shall change its list applicable to third countries with respect to the fishing products referred to in No 1, reducing the difference between the base duty and that of the common tariffs list in the following terms:

As of 1 March 1986 the Portuguese Republic shall apply a duty that will reduce the difference between the base duty and that of the common tariffs list by 12.5 percent;

as of 1 January 1987:

- a) For the list items with respect to which the base duties do not differ more than 15 percent above or below the duties of the common tariffs list, the latter duties are applied;
- b) in the other cases, the Portuguese Republic shall apply a duty that will reduce the difference between the base duty and the duties of the common tariffs list in seven equal fractions of 12.5 percent on the following dates:

1 January 1987;  
1 January 1988;  
1 January 1989;  
1 January 1990;  
1 January 1991;  
1 January 1992.

The Portuguese Republic shall apply the common tariffs list completely as of 1 January 1993.

#### Article 361

1. Until 31 December 1992, imports from other member states into Portugal of the product that are in part a) of Annex XXVII are subject to a complementary mechanism with respect to trade, defined by the present article.
2. Moreover, until 31 December 1990, imports from Spain into Portugal of the products contained in part b) of Annex XXVIII are subject to the mechanism referred to in No 1.
3. A forecast total of the supplies in Portugal with respect to each product in question shall be established before the beginning of each year on the basis of imports made during the previous 3 years. This balance shall include the imports from other member states, as well as those from third countries. The intracommunity part of this balance shall be improved every year by a progressive factor equal to 15 percent.
4. Beyond the threshold of the intracommunitarian part, measures restricting or halting imports may be taken.
5. Beyond the threshold fixed for the overall total of supplies, the Portuguese Republic may take immediately applicable precautionary measures. These measures shall be immediately relayed to the Commission, which may halt their application in the month following this notification.
6. The rules of application shall be adopted pursuant to the procedure stipulated in Article 33 of EEC Regulation No 3796/81.

#### Article 362

During the period of the progressive elimination of customs duties between the Community in its present composition and Portugal, the following products

from Portugal may be imported annually into the Community in its present composition with the complete suspension of duties from the common customs tariff list within the limits indicated below:

| Number on the<br>Common Customs<br>Tariff List | Description of Merchandise   | Quantity in<br>Tons |
|--|--|---------------------|
| 16.04  | Processed or canned fish products including caviar and its substitutes |                     |
|  | D. Sardines  | 5,000               |
|  | E. Tuna  | 1,000               |
|  | ex F. Bonitos, Spanish mackerel, mackerel, yellow jack and anchovies:  |                     |
|  | --Spanish mackerel, mackerel and yellow jack                           | 1,000               |

#### Article 363

1. Until 31 December 1992, and with respect to the products contained in Annex XXIX, the Portuguese Republic may maintain quantitative restrictions with respect to third countries within the limits and methods defined by the Council deliberating by a qualified majority at the proposal of the Commission.

2. The communitarian mechanism of reference prices is applicable to each product as of the time of the abolishment of quantitative restrictions which concern it.

#### Chapter 5--Foreign Relations

##### Section I--Common Trade Policy

#### Article 364

1. The Portuguese Republic shall maintain quantitative restrictions with respect to third countries on the imports of products not yet liberalized with respect to the Community in its present composition. The Portuguese Republic shall not grant third countries any other advantage over the Community in its present composition as to fixed quotas for those products.

These quantitative restrictions shall remain in effect for at least the same time that quantitative restrictions for the same products remain in effect for the Community in its present composition.

2. The Portuguese Republic shall maintain with respect to the countries with state managed trade referred to in EEC Regulations No 1765/82, No 1766/82 and No 3420/83, quantitative restrictions for products not yet liberalized with respect to the countries to which EEC Regulation No 288/82 is applied. The Portuguese Republic shall not grant the countries with state managed trade any other advantage with respect to the countries to which EEC Regulation No 288/82 is applied in that which has to do with fixed quotas for those products.

These quantitative restrictions shall remain in effect for at least as long as quantitative restrictions remain for the same products with respect to all the countries referred to in EEC Regulation No 288/82.

Any change in the import system in Portugal for the products not liberalized by the Community with respect to the countries with state managed trade, shall be accomplished pursuant to the rules and procedures stipulated in EEC Regulation No 3420/83 and without prejudice to the provisions of the first paragraph.

The Portuguese Republic, however, is not obliged to reintroduce, with respect to countries with state managed trade, quantitative restrictions on imports of liberalized products from those countries but which are still subject to quantitative restrictions with respect to member countries of the GATT.

3. Until 31 December 1992, the Portuguese Republic may maintain, without prejudice to the provisions of Nos 1 and 2, quantitative restrictions to imports under the form of quotas for the products and amounts listed in Annex XXX in temporary derogation of the common systems of liberalization of imports stipulated in EEC Regulations No 288/82, No 1765/82, No 1766/82 and No 3419/83, changed by EEC Regulation No 453/84, provided that with respect to member countries of the GATT, those restrictions had been made known prior to accession, within the framework of that agreement.

Imports of those products shall be completely subjected to the common systems of liberalization in effect on 1 January 1993. Those quotas shall be progressively increased until that date under the terms of No 4.

4. The progressive increase of quotas referred to in No 3 is of at least 25 percent at the beginning of each year with respect to the quotas expressed in ECU's, and of at least 20 percent at the beginning of each year with respect to quotas expressed in volume. The increase is added to each quota and the following increase is calculated on the total figure obtained.

Without prejudice to the provisions of Nos 1 and 2, if during the period of application of the transitory measures the imports made during the course of 2 consecutive years were less than 90 percent of the annual quotas opened under the terms of No 3, the Portuguese Republic shall abolish the quantitative restrictions in effect.

5. The Portuguese Republic shall maintain, with respect to all third countries, quantitative restrictions to imports in the form of quotas for the products indicated in Protocol No 23, which are not liberalized by the Community with respect to third countries and for which the Portuguese Republic maintains quantitative restrictions relative to imports from the Community in its present composition, in the amounts, and at least until the dates stipulated respectively, of the aforementioned protocol.

Any change in the system of imports into Portugal of the products referred to in the first paragraph shall be made in conformity with the rules and procedures stipulated in EEC Regulations No 288/82 and No 3420/83, without prejudice to Nos 1 and 2.

6. Keeping in view compliance with the obligations belonging to the Community within the framework of the GATT with respect to the countries of state-managed trade which are members of this agreement, the Portuguese Republic, if necessary, and in the degree necessary, shall extend to the aforementioned countries the measures of liberalization that it must adopt with respect to other third countries members of the agreement, taking into consideration the agreed-upon transitory measures.

#### Article 365

1. As of 1 March 1986, the Portuguese Republic shall apply the system of generalized preferences for the products other than those listed in Annex II of the EEC Treaty. However, with respect to the products listed in Annex XXI, the Portuguese Republic shall align itself progressively until 31 December 1992 with the rates of the system of generalized preferences based on the base duties referred to in No 2 of Article 189. The calendar for these alignments is the same as that established in Article 197.

2. a) With respect to the products listed in Annex II of the Treaty, the preferential rates stipulated or calculated shall be progressively applied to the duties actually collected by the Portuguese Republic from third countries pursuant to the general rules referred to in line b) or to the special rules referred to in Articles 289 and 295.

b) The Portuguese Republic shall apply, as of 1 March 1986, a duty that will reduce the difference between the rate of the base duty and the rate of the preferential duty in accordance with the following calendar:

On 1 March 1986 the difference shall be reduced to 90.9 percent of the initial difference;

on 1 January 1987 the difference shall be reduced to 81.8 percent of the initial difference;

on 1 January 1988 the difference shall be reduced to 72.7 percent of the initial difference;

on 1 January 1989 the difference shall be reduced to 63.6 percent of the initial difference;

on 1 January 1990 the difference shall be reduced to 54.5 percent of the initial difference;



on 1 January 1991 the difference shall be reduced to 45.5 percent of the initial difference;  
on 1 January 1992 the difference shall be reduced to 36.3 percent of the initial difference;  
on 1 January 1993 the difference shall be reduced to 27.2 percent of the initial difference;  
on 1 January 1994 the difference shall be reduced to 18.1 percent of the initial difference;  
on 1 January 1995 the difference shall be reduced to 9.0 percent of the initial difference;  
the Portuguese Republic shall apply the preferential rates completely as of 1 January 1996.

c) In derogation of line b), with respect to fishing products included in items 03.01, 03.02, 03.03, 05.15A, 16.04, 16.05 and 23.01B of the common customs tariff list, the Portuguese Republic shall apply, as of 1 March 1986, a duty that will reduce the difference between the rate of the base duty and the rate of the preferential duty according to the following calendar:

On 1 March 1986 the difference shall be reduced to 87.5 percent of the initial difference;  
on 1 January 1987 the difference shall be reduced to 75 percent of the initial difference;  
on 1 January 1988 the difference shall be reduced to 62.5 percent of the initial difference;  
on 1 January 1989 the difference shall be reduced to 50 percent of the initial difference;  
on 1 January 1990 the difference shall be reduced to 37.5 percent of the initial difference;  
on 1 January 1991 the difference shall be reduced to 25 percent of the initial difference;  
on 1 January 1992 the difference shall be reduced to 12.5 percent of the initial difference;  
the Portuguese Republic shall apply the preferential rates completely as of 1 January 1993.

## Section II--Agreements by the Communities with Certain Third Countries

### Article 366

1. The Portuguese Republic shall apply the provisions of the agreements referred to in Article 368 as of 1 January 1986.

The transition measures and possible adaptation shall be the object of protocols to be concluded with cocontracting countries who are parties to those agreements.



2. Those transition measures have the purpose of insuring, after the pertinent term, the application by the Community of a common system in its relations with all cocontracting third countries, as well as the identification of the rights and obligations of the member states.

3. These transition measures applicable to the countries listed in Article 368 do not imply the concession to these countries by the Portuguese Republic of a more favorable treatment than that which is applicable to the Community in its present composition, in any sector.

In particular, all the products that may be the object of measures of transition with respect to quantitative restrictions applicable to the Community in its present composition, are subject to such measures with respect to all the countries listed in Article 368 for the same period, without prejudice to possible specific derogations.

4. These transition measures applicable to the countries listed in Article 368 do not imply the application to these countries by the Portuguese Republic of a less favorable treatment than that which applied to other third countries. In particular, no transition measures may be stipulated on quantitative restrictions on the countries listed in Article 368 for products that are exempt from such restrictions when they are imported into Portugal from other third countries.

#### Article 367

If the protocols referred to in No 1 of Article 366 are not concluded on 1 January 1986 for reasons other than the will of the Community or the Portuguese Republic, the Community shall take the measures required for righting that situation after accession.

In any case, the Portuguese Republic shall apply the treatment of most favored nation to the countries listed in Article 368 as of 1 January 1986.

#### Article 368

1. Articles 366 and 367 are applicable to:

The agreements concluded with Algeria, Austria, Cyprus, Egypt, Finland, Iceland, Jordan, Yugoslavia, Lebanon, Malta, Morocco, Norway, Syria, Sweden, Switzerland, Tunisia and Turkey, as well as to other agreements concluded with third countries having to do exclusively with trade in the products contained in Annex II of the EEC Treaty.

2. The systems resulting from the Second ACP-EEC Convention African, Caribbean and Pacific Countries-EEC Convention and the agreement relative to the products subjected to jurisdiction of the ECSC signed on 31 October 1979, are not applicable to the relations between the Portuguese Republic and the States of Africa, the Caribbean and the Pacific.

## Article 369

The Portuguese Republic shall denounce the convention that instituted the European Free Trade Association signed on 4 January 1960, effective 1 January 1986.

## Section III--Textiles

### Article 370

1. As of 1 January 1986 the Portuguese Republic shall apply the 20 December 1973 Agreement relative to the international trade in textiles, as well as the bilateral agreements concluded by the Community within the framework of this agreement or with other third countries. Protocols of adaptation of those accords, in order to establish voluntary restrictions on exports destined for Portugal relative to products and their origins, for which there are limitations on exports to the Community, shall be negotiated by the Community with third countries who are parties to the agreements.

2. If those protocols are not concluded on 1 January 1986, the Community shall take measures to right that situation with respect to the transitory adaptations necessary for insuring the application of the agreements by the Community.

## Chapter 6--Financial Provisions

### Article 371

1. The 21 April 1970 decision relative to the replacement of financial contributions by the member states with own Community resources, which shall be known henceforth as the "21 April 1970 Decision," is applied under the terms of Articles 372 and 375.

2. Any reference to the 21 April 1970 Decision made in the articles of the present chapter, must be understood as referring to the decision of the Council on 7 May 1985 relative to the system of own Community resources as of the effective date of the last decision.

### Article 372

The revenues called "agricultural equalizing duties" referred to in line a) first paragraph of Article 2 of the 21 April 1970 Decision, also cover the revenues from any net totals in imports in trade between Portugal and the other member states and between Portugal and third countries under the terms of Articles 233 to 345 and No 3 of Article 210 and Article 213.

However, these revenues will only cover equalizing duties and other amounts referred to in the first paragraph, paid with respect to the products subject to transition by phases pursuant to Articles 309 and 341 as of the beginning of the second phase.

In derogation of the provisions of the foregoing paragraph, the Council, deliberating unanimously at the proposal of the Commission, may decide before the end of the first phase to return to Portugal, within the limits, and in agreement with rules to be established and for a period that shall not exceed 2 years, the revenues resulting from the compensatory amounts "accession," applied by Portugal on cereals imported from the other member states.

#### Article 373

Until 31 December 1992, the revenues known as "customs duties" referred to in line b), first paragraph, Article 2 of the 21 April 1970 Decision, shall cover the customs duties calculated as if Portugal were applying as of accession, in its trade with third countries, the rates resulting from the common customs tariff list and the reduced rates resulting from any tariff list applied by the Community. For customs duties having to do with oleaginous seeds and fruits and their byproducts, that are the object of EEC Regulation No 136/66, as well as for agricultural products subject to a transition by phases pursuant to Articles 309 and 341, the same rule applies until 31 December 1995.

However, these revenues do not cover the customs duties during the first phase that affect agricultural products imported into Portugal and which are subject to the system of transition by phases pursuant to Articles 309 and 341.

If the provisions adopted by the Commission under No 3 of Article 210 of the present Act were applied, and in derogation of the provisions of the first paragraph, customs duties shall be the total calculated in accordance with the rate of the equalizing compensating duty fixed by those provisions relative to third products which enter into the manufacturing process.

The Portuguese Republic shall proceed to a monthly calculation of these customs duties on the bases of customs declarations for a single month. The presentation to the Commission under the conditions established by EEC Regulation (EEC/EUROTOM/CECA) No 2891/77, shall take place relative to the customs duties thus calculated in terms of the payments made during the course of the month in question.

As of 1 January 1993, the total of established customs duties is completely owed. However, with respect to the products referred to in Articles 309 to 341 subject to transition by phases, as well as oleaginous seeds and fruits and their byproducts that are the object of EEC Regulation 136/66, the total of those duties is owed entirely as of 1996.

#### Article 374

The total of the duties paid as own resources derived from the value added tax or from financial contributions based on the Gross National Product, is entirely owed in application of Nos 1 to 5 of Article 4 of the 21 April 1970 Decision. The derogation referred to in line 15 of Article 15 of the Sixth Directive, 77/388/EEC of the Council, does not affect the total of the duties owed pursuant to the first paragraph.

The Community shall return to the Portuguese Republic, in conformity with the general budget of the European Communities, a share of the amount of the payments made in terms of own resources deriving from valued added taxes or from financial contributions based on the Gross National Product, on the month following that in which the amount was placed at the disposal of the Council in the following terms:

87 percent in 1986  
70 percent in 1987  
55 percent in 1988  
40 percent in 1989  
25 percent in 1990  
5 percent in 1991.

The percentage of this degressive restitution is not applied to the amount corresponding to the part which falls to Portugal in financing the deduction stipulated by No 3, lines b), c) and d) of Article 3 of the Council's 7 May 1985 Decision relative to the system of own resources of the Communities in favor of the United Kingdom.

#### Article 375

In order to avoid the Portuguese Republic having to bear the cost of reimbursement of advance payments granted to the Community by the member states prior to 1 January 1986, the Portuguese Republic shall benefit from a financial compensation because of that reimbursement.

#### Chapter 7--Other Provisions

##### Article 376

In derogation of the provisions of Article 60 of the ECSC Treaty and the pertinent provisions of application, Portuguese steel companies may apply a price CIF port of destination equal to a parity price in effect in the continental territory of the Portuguese Republic until 31 December 1992 in the Autonomous Regions of the Azores and Madeira.

##### Article 377

Until 31 December 1992 the Portuguese Republic may derogate the provisions of Article 95 of the EEC Treaty which has to do with the special tax on the consumption of processed tobaccos produced in the Autonomous Regions of the Azores and Madeira, under the conditions established in Annex XXXII for the application of Directive 72/464/EEC of the Council dated 19 December 1972.

#### Title IV--Other Provisions

#### Article 378

1. The acts specified in the list which makes up Annex XXXII of the present Act, apply to the new member states under the conditions fixed in that annex.

2. Before 1 January 1986, at the duly founded request of the Spanish State or the Portuguese Republic, the Council, deliberating unanimously under the proposal of the Commission, may take measures that imply temporary derogations of acts of the institutions of the Community adopted between 1 January 1985 and the date of signing of the present Act.

#### Article 379

1. Until 31 December 1992, in case of serious difficulties susceptible to persisting in a sector of economic activity, as well as difficulties that may result in a serious deterioration of a regional economic situation, either one of the new member states may ask that it be authorized to take protective measures that will allow it to bring back a balance to the situation and adapt the sector in question to the common market economy.

Under the same conditions, a present member state may ask that it be authorized to adopt protective measures relative to one or both new member states.

This provision is applicable until 31 December 1995 relative to the products and sectors for which transitory derogation measures for equivalent effective periods are stipulated under the terms of the present Act.

2. At the request of the interested state, the Commission, through an emergency process, shall establish the protective measures it may consider necessary, specifying the conditions and methods of their application. In case of serious economic difficulties, and at the express request of the interested member state, the Commission provided with the respective material for evaluation shall deliberate within a period of 5 working days as of the day the request was received. The measures thus decided shall be immediately applicable.

When trade between the Community in its present composition and either of the two new member states, or between them, in the sector of agriculture and fishing, without prejudice to the provisions of Chapters 3 of Titles II and III, causes or threatens to cause serious disturbances in the market of a member state, the Commission, at the request of the affected member state, shall deliberate on the protective measures it considers necessary 24 hours after it receives that request. The measures thus decided shall be immediately applicable and must take into consideration the interests of all the interested parties, specifically the problems of transportation.



3. The measures authorized under the terms of No 2 may contain derogations of the EEC and ECSC Treaties and of the present Act up to the limit, and during the periods, strictly necessary for attaining the objectives stipulated in No 1. Priority in selection must be given to the measures that mean the minimum of disturbance in the functioning of the common market.

4. In case of serious difficulties which may persist in the employment market of the Grand Duchy of Luxembourg, that state may request that under the terms of the procedure stipulated in the first and second paragraphs of No 2 and the conditions defined in No 3, it be authorized to apply temporary protective measures until 31 December 1995, within the framework of national provisions that regulate the change of employment, with respect to national workers from one of the two new member states admitted, who emigrate to the Grand Ducy to perform salaried work after the date of that authorization.

#### Article 380

1. If prior to the end of the period of application of transitory measures established for each case under the terms of the present Act, the Commission, at the request of a member state or another interested party, and in accordance with the rules of the procedure to be adopted after accession by the Counsel deliberating by a qualified majority and at the proposal of the Commission, were to confirm that the practice of dumping exists between the Community in its present composition and the new member states, or between the new member states, it shall make recommendations to the author or authors of those practices with the objective of putting an end to them.

If, however, such practices were to be continued, the Commission shall authorize the injured member state or member states to take the protective measures whose conditions and methods it would establish.

2. For the application of the present article to the products listed in Annex II of the EEC Treaty, the Commission shall apply all the relevant factors, particularly the level of prices at which imports are made from other sources of the market in question, taking into consideration the provisions of the EEC Treaty relative to agriculture, particularly those of Article 39.

3. The measures adopted prior to accession under the provisions of EEC Regulation No 2176/84 and EEC Decision No 2177/84 ECSC with respect to the new member states, as well as those adopted before accession under the provisions of antidumping legislation of the new member states with respect to the Community in its present composition, remain temporarily in effect and shall be the object of a reexamination by the Commission, which shall decide on the pertinent change or abolishment. This change or abolishment is made, depending on the case, by the Commission or by the national authorities in question. The procedures initiated before accession in Spain, Portugal or in the Community in its present composition shall have continuity under the terms of the provisions of No 1.



## Fifth Part--Provisions Relative to the Application of the Present Act

### Title I--Installation of Institutions

#### Article 381

The Assembly shall meet within the maximum period of a month after accession. The Assembly shall introduce into its internal regulations the adaptations required as a result of accession.

#### Article 382

The Council shall introduce into its internal regulations the adaptations required as a result of accession.

#### Article 383

1. As of accession, three new members shall be named to the Commission and a sixth vice president shall be appointed from among the members of the expanded Commission. The term of office for the members named shall end on the same date as that of the members in office on the date of accession.

The term of office of the sixth vice president appointed shall end on the same date as that of the other five vice presidents.

2. Prior to 31 December 1986, the Council shall for the first time examine whether it is necessary to apply the fourth paragraph of Article 14 of the Treaty which instituted an only Counsel and an only Commission of the European Communities.

3. The Commission shall introduce into its internal regulations the adaptations required as a result of accession.

#### Article 384

1. As of accession, two new judges shall be named to the Court of Justice.

2. The term of office of one of the judges named under the terms of No 1 shall end on 6 October 1988. This judge is selected by lottery. The term of office of the other judge shall end on 6 October 1991.

3. As of accession, a sixth general counsel, whose term of office ends on 6 October 1988, shall be named.

4. The court shall introduce into its procedural regulations the adaptations required as a result of accession. The procedural regulations thus adapted shall be submitted for approval by unanimity of the Council.

5. For the trial of cases pending before the court on 1 January 1986, relative to which the oral phase has been initiated prior to that date, the court in plenary session, or the sections, shall meet with the same composition they had prior to accession and apply the procedural regulation that was in effect on 31 December 1985.

#### Article 385

As of accession, two new members shall be named to the Court of Auditors. The terms of office of the members thus named shall end at the same time as that of the members in office on the date of accession.

#### Article 386

As of accession, 33 new members, representatives of the different sectors of the economic and social life of the new member states, shall be appointed to the Economic and Social Committee. The term in office of those members ends at the same time as that of the members in office on the date of accession.

#### Article 387

As of accession, new members shall be named to the ECSC Consultative Committee. The term of office of those members ends at the same time as that of the members in office on the date of accession.

#### Article 388

As of accession, five new members shall be named to the Scientific and Technical Committee. The term of office of those members end at the same time as that of the members in office on the date of accession.

#### Article 389

As of accession, the new members representing the new member states shall be named to the Monetary Committee. The term of office of those members shall end at the same time as that of the members in office on the date of accession.

#### Article 390

The adaptations of the internal statutes and regulations of the committees instituted by the originating Treaties, required as a result of accession, shall be accomplished as soon as possible after accession.

### Title II--Applicability of the Acts of Institutions

#### Article 392

As of accession, the new member states are considered as being the addressees, and as having been notified of the directives and decisions, in the acceptance

of Article 189 of the EEC Treaty and Article 161 of the EURATOM Treaty, as well as the recommendations and decisions in the acceptance of Article 14 of the ECSC Treaty, provided that those directives, recommendations and decisions were communicated to all present member states.

#### Article 393

The application in each of the new member states of the acts contained in the list that makes up Annex XXXV of the present Act is deferred until the dates stipulated in that list.

#### Article 394

1. Deferred until 1 March 1986 are:

- a) The application to the new member states of the communitarian regulations established for the production and trade of agricultural products and for the commercial exchanges of certain merchandise resulting from the transformation of agricultural products that are subject to a special system;
- b) the application to the Community in its present composition of the changes made in those regulations by the present Act, including those that result from Article 396.

2. No 1 does not apply to the adaptations of the acts of institutions of the Community relative to common agricultural policy, adaptations which shall be made under the terms of Article 396 of the present Act, having in view the determination of the number that will make up a qualified majority after accession within the framework of the procedures of the Management Committees or other similar committees instituted in the area of agriculture.

3. Until 28 February 1986 the system applicable to trade between one of the new member states, on one hand, and the Community in its present composition, the other new member state, or third countries, on the other, is the one applied before accession.

#### Article 395

The new member states shall put into effect the measures necessary for complying, as of accession, with the provisions in the directions and decisions, in the acceptance of Article 189 of the EEC Treaty and of Article 161 of the EURATOM Treaty, as well as the recommendations and decisions in the acceptance of Article 14 of the ECSC Treaty, unless a period is fixed in the list included in Annex XXXVI or other provisions of the present Act.

#### Article 396

1. Adaptations of the acts of the institutions of the Community, that are not contained in the present Act or in its annexes, made prior to accession in keeping with the process stipulated in No 2 for making such acts compatible

with the provisions of the present Act, specifically with those of its Fourth Part, shall become effective as of accession.

2. The Council, deliberating by a qualified majority at the proposal of the Commission, or the Commission, depending on whether the initial acts had been adopted by one or another of those institutions, shall establish the texts required for that purpose.

#### Article 397

The texts of the acts of the Community institutions adapted prior to accession, and which were established by the Council or the Commission in Spanish and in Portuguese, are effective as of accession under the same conditions as the texts written in the present seven languages. Those texts shall be published in the Official Newspaper of the European Communities in the cases where the texts in the present languages have been the object of such publication.

#### Article 398

The agreements, decisions and practices entered into and existing on the date of accession, and which because of that accession are covered by the provisions of Article 65 of the ECSC Treaty, must be communicated to the Commission in the maximum period of 3 months after accession. Only the agreements and decisions communicated shall remain temporarily in effect until the Commission has made a decision.

#### Article 399

The legislative, regulatory and administrative provisions aimed at insuring health protection in the territory of the new member states for the population and the workers against the dangers resulting from ionizing radiations shall, under the terms of Article 33 of the EURATOM Treaty, be communicated by those member states to the Commission within the period of 3 months as of accession.

#### Title III--Final Provisions

#### Article 400

Annexes I to XXXVI and Protocols Nos 1 to 25 attached to the present Act are an integral part of it.

#### Article 401

The Government of the French Republic shall send the Government of the Spanish State and the Portuguese Republic an authenticated copy of the treaty that instituted the ECSC and the treaties that changed it.

#### Article 402

The Government of the Italian Republic shall send the Governments of the Spanish State and the Portuguese Republic an authenticated copy of the treaty that instituted the EEC, the treaty that instituted EURATOM and the treaties that changed or complemented them, including the treaties relative to the accession to the EEC and EURATOM, respectively, of the Kingdom of Denmark, Ireland, the United Kingdom of Great Britain and Northern Ireland and the Hellenic Republic in the German, Danish, French, Greek, English, Irish, Italian and Dutch languages.

The texts of these treaties, written in Spanish and Portuguese, shall be added to the present Act. These text are effective under the same conditions as the texts of the treaties referred to in the first paragraph and written in the present languages.

#### Article 403

An authenticated copy of the international agreements deposited in the archives of the secretary general of the Council of the European Communities shall be sent to the governments of the new member states by the secretary general.

Protocol (No 3) Relative to Exchanges of Merchandise between Spain and Portugal During the Period of Application of the Transitory Measures.

#### Article 1

1. Except for the products included in Annex II of the EEC Treaty, and without prejudice to the provisions of the present protocol, Spain and Portugal shall apply in their trade exchanges the treatment agreed upon between those states, on one hand, and the Community in its present composition, on the other, as is established in Chapter 1 of Title II and in Chapter 1 of Title III of the Fourth Part of the Act of Accession.

2. To the products originating in Portugal included in Chapters 25 to 99 of the Common Customs Tariff List, with the exception of those that are the object of EEC Regulations No 2783/75, No 3033/80 and No 3035/80, the Spanish State shall apply the same system that is applied by the Community in its present composition to Portugal, specifically with respect to the elimination of customs duties and equivalent effect charges, as well as of quantitative restrictions to imports and exports and measures of equivalent effect on merchandise that is the object of the EEC Treaty and which in Portugal fulfills the conditions of Articles 9 and 10 of this same treaty, as well as the merchandise that is the object of the ECSC Treaty and that is handled freely in Portugal under the terms of this treaty.



The Portuguese Republic shall apply to the products originating in Spain, and which are included in Chapters 25 to 99 of the Common Customs Tariff List, with the exception of those that are the object of EEC Regulations No 2783/75, No 3033/80 and No 3035/80, the same system that it applied with respect to the Community in its present composition.

3. The Council, deliberating by a qualified majority, at the proposal of the Commission, shall adopt the rules of origin applicable to trade between Spain and Portugal before 1 March 1986.

#### Article 2

For the purposes of the provisions of Article 48 of the Act of Accession, with respect to the products included in the list consisting of Annex A, the abolition of the exclusive import duties in Spain, stipulated in No 3 of the aforementioned article, is accomplished as of 1 March 1986 through the progressive opening of the import quota for products originating in Portugal. The amounts of the quotas for 1986 are indicated in the aforementioned list.

The Spanish State increases the amounts of the quotas under the conditions indicated in the same annex. The increases, expressed in percentages, are added to each quota and the next increase is calculated on the basis of the total value thus obtained.

#### Article 3

1. In derogation of Article 1, the Spanish State shall install for the products originating in Portugal included in Annex B, as of 1 March 1986 and until 31 December 1990, tariff list limitations with zero duties. In the case that the quantities stipulated for each one of the aforementioned limits are reached, the Spanish State may reintroduce customs duties until the end of the calendar year underway. They shall be, in that case, identical to those that Spain is applying at the same time to the Community in its present composition.

The volume of the limits for 1986 is indicated in Annex B and the annual calendar for the progressive increase is as follows:

1987: 10 percent  
1988: 12 percent  
1989: 14 percent  
1990: 16 percent

The increase is added to each quota and the following increase is calculated on the basis of the total value obtained.

2. The system of tariff list limits stipulated in No 1 shall be equally applicable with respect to 1990 to textile products making of Annex C.

3. The Spanish State and the Portuguese Republic may subject, until 31 December 1990, imports of products included in Annex B to a prior inspection for exclusively statistical purposes.

In any case, imports of the products referred to above may not undergo any delay as a result of the statistical inspection.

#### Article 4

Up until 31 December 1990, the Spanish State may submit imports of the following products originating in Portugal to a prior inspection for purely statistical purposes:

| No on the Common Customs<br>Tariff List | Description of Merchandise  |
|---|---|
| 47.01                                   | Paper pulp  |
| 48.01                                   | Paper and cardboard, including<br>cellulose pulp in rolls or<br>sheets. |

In any case, imports of the products referred to above may not undergo any delay resulting from the application of that statistical inspection.

2. Under the conditions, and within the periods, stipulated in No 1, the Portuguese Republic may subject the products referred to in No 1 that originate in Spain to an inspection prior to import for purely statistical purposes.

#### Article 5

1. Until 31 December 1988, the Portuguese Republic may subject the following products originating in Spain to an inspection for exclusively statistical purposes prior to import:

a) Products subject to the jurisdiction of the ECSC Treaty.

| b) No on the Common<br>Customs List | Description of Merchandise  |
|-------------------------------------|---|
| 73.14                               | Soft iron wire or steel wire, coated or not,<br>with the exception of insulated wire for<br>electrical uses.      |
| 73.15                               | Special steels and fine or carbon steel in the<br>conditions to which Nos 73.06 and 73.14, inclu-<br>sive, refer: |

A. Fine and carbon steel:

ex VIII. Wire, coated or not with the exception of insulated wire for electrical uses; uncoated.

73.18

Pipes (including drafts) of soft iron or steel, with the exclusion of the products of No 73.19.

In any case, imports of the products mentioned above may not undergo any delay as a result of that statistical inspection.

The two parties may by common agreement extend the system of statistical inspection for a period not to exceed 31 December 1990. In case of disagreement and at the request of one of the two states, the Commission may decide on the extension of the aforementioned system if importance disturbances are confirmed in the Portuguese market.

2. Under the conditions stipulated in the second paragraph of No 1, the Portuguese Republic may subject imports of the following products originating in Spain to a prior inspection for purely statistical purposes until 31 December 1992:

No on the Common Customs  
Tariff List

Description of Merchandise

22.02

Soft drinks, aromatized sparkling or mineral waters and other nonalcoholic beverages, with the exception of fruit juices or vegetable products included in 20.07.

22.03

Beer

3. Under the conditions stipulated in the second paragraph of No 1, the Spanish State may subject the products included in Annex VII of the Act of Accession, as well as spirituous beverages included in subitem 22.09 C of the Common Customs Tariff List, originating in Portugal, to an inspection prior to import for exclusively statistical purposes, until 31 December 1992.

Article 6

1. With respect to the products mentioned in Article 4, if up until 31 December 1990 any sudden and important changes are noted in the respective traditional trends in trade, the Spanish State and the Portuguese Republic shall meet within a maximum period of 5 working days as of the date of the request made by one of these member states, for an examination of the situation with the objective of obtaining an agreement with respect to possible measures to be adopted.

2. With respect to the products mentioned in No 1 of Article 5, if up until 31 December 1988 any sudden and important changes in imports into Portugal of Spanish products are noted, the Spanish State and the Portuguese Republic shall meet within a maximum period of 5 working days as of the reception of the request by the Spanish State for the examination of the situation with the objective of obtaining an agreement as to possible measures to be adopted.

3. If in the meetings stipulated in Nos 1 and 2 the Spanish State and the Republic of Portugal do not reach an agreement, the Commission, taking into consideration the criteria that regulate the protective clause of which Article 379 consists, shall establish through an emergency procedure, the protective measures it may consider necessary, fixing the respective conditions and rules of application.

#### Article 7

1. In case that the compensatory amounts mentioned in Articles 72 and 240 of the Act of Accession, or of the mechanism of compensatory amounts mentioned in Article 270, are applied in trade between Spain and Portugal to one or several base products considered as having been used in the manufacture of merchandise that is the object of EEC Regulation No 3033/80 of the Council of 11 November 1980 that determines the system of trade applicable to certain merchandise that results from the transformation of agricultural products, the transitory measures applicable are determined pursuant to the rules stipulated in Articles 53 and 213 of the aforementioned Act. The compensatory amounts applicable in trade between the Spanish State and the Portuguese Republic are collected or granted by the state in which the prices of the base agricultural products in question are the highest.

2. The customs duty which makes up the fixed element of the applicable charge, at the date of accession, on imports into Portugal from Spain and reciprocally that of the merchandise that is the object of EEC Regulation No 3033/80, is determined pursuant to the provisions of Articles 53 and 213 of the Act of Accession.

However, if with respect to products which make up Annex XIX of the aforementioned Act, the customs duty that makes up the fixed element of the charge applicable by Portugal on imports from Spain, calculated according to the provisions mentioned above, were less than the duties indicated in that annex, the latter are the ones to be applied.

If, relative to the same products, this customs duty were higher than the customs duty that makes up the fixed element of the charge applicable by Portugal on imports from the Community in its present composition, the latter shall be applied.

The foregoing paragraph is not applicable to chocolate and other food preparations that contain cocoa of item 18.06 of the common customs tariff list. With respect to them, the fixed element of the charge applicable by Portugal on imports from Spain cannot be more than 30 percent.

#### Article 8

1. The Commission determines, taken due account of the provisions in effect, particularly those relative to communitarian traffic, the methods of administrative cooperation aimed at insuring that the merchandise that fulfill the conditions required for them may benefit from the treatment stipulated by the present protocol.

These methods shall particularly include the measures needed for insuring that the merchandise that has benefitted from the aforementioned treatment in Spain or in Portugal, at the time of their reshipment to the Community in its present composition, shall be subject to the same treatment as that which would be applied to them in case of their direct import respectively.

2. Up until 28 February 1986, the systems that now rule trade relations between the Spanish State and the Portuguese Republic remain applicable to trade between Spain and Portugal.

3. The Commission shall determine the provisions applicable as of 1 March 1986 to trade between Spain and Portugal in the merchandise obtained in Spain or in Portugal in the manufacture of which the following were used:

Products that were not subject to the customs duties or equivalent effect charges that were applicable to them in Spain or Portugal, or which have benefitted from total or partial drawback of these duties or charges;

agricultural products that do not fulfill the conditions required for being admitted to free circulation in Spain or in Portugal.

Upon adopting these provisions, the Commission takes into consideration the rules stipulated in the Act of Accession for the elimination of the customs duties between the Community in its present composition and Spain and Portugal, and for the progressive application by the Spanish State and the Portuguese Republic of the common customs tariff list, as well as the provisions in matters of a common agricultural policy.

#### Article 9

1. Except for provisions to the contrary of the Act of Accession and the present protocol, the provisions in effect in matters of customs legislation relative to trade with third countries, shall be applied in the same conditions to trade between Spain and Portugal when customs duties are collected at the time of that trade.



For the determination of the customs value in trade between Spain and Portugal, as well as in trade with third countries until:

31 December 1992 for industrial products and  
31 December 1995 for agricultural products,  
the customs territory to be taken into consideration is that one defined by the legislation in effect in the Spanish State and the Portuguese Republic on 31 December 1985.

2. The Spanish State and the Portuguese Republic shall apply the nomenclature of the common customs tariff list and the ECSC unified tariff list as of 1 March 1986.

#### Article 10

The Portuguese Republic, within the framework of trade with the Canary Islands, Ceuta and Medilha, applies the specific systems agreed upon in this respect between the Community in its present composition and the Spanish State referred to in Protocol No 2.

#### Article 11

Without prejudice to the provisions of No 2, second paragraph of Article 1, the Commission shall adopt, as of accession, any measure of application that may show itself to be necessary, keeping in view the execution of the provisions of the present protocol, particularly the rules of application of inspection stipulated in Articles 3, 4, and 5.

Annex A--List Stipulated in Article 2 of Protocol No 3

| Quota<br>No | Common Customs<br>Tariff List<br>Number | Description of Merchandise   | Volume<br>of base<br>Volume<br>1986 | Rate of<br>annual<br>increase<br>Percent |
|-------------|---|--|-------------------------------------|--|
| 1           | 24.02                                   | Processed Tobacco; tobacco extracts<br>and bunches:  |                                     |  |
| 2           |   | A. Cigarettes.....   | 300,000,000                         | 20                                       |
|             |   | B. Cigars and small cigars.....  | 3,510,000                           | 20                                       |
| 3           |   | C. Smoking tobacco.....  |                                     |  |
|             |   | D. Chewing tobacco and snuff.....  | 60 tons                             | 20                                       |
|             |   | E. Others, including bunch<br>tobacco in leaves.....   |                                     |  |
| 4           | 27.10                                   | Oils derived from petroleum and bi-<br>tuminous ores (except crude oil);<br>products not specified nor contained<br>in other items, that contain at least<br>70 percent of those oils by weight,<br>which should make up their base weight,<br>which should make up their base ele-<br>ment. |                                     |  |
|             |   | ex A. Light Oils:  |                                     |  |
|             |   | Excluding motor oil and<br>kerosenes.....  | 7,400 t                             | 10                                       |
| 5           |   | Motor oils.....  | 9,531 t                             | 10                                       |
| 6           |   | Kerosenes.....   | 6,000 t                             | 10                                       |
| 7           |   | C. Heavy Oils  |                                     |  |
|             |   | 1. Gasoil.....   | 7,400 t                             | 18.5                                     |
| 8           |   | 2. Fuel oil.....   | 13,600 t                            | 12.5                                     |
| 9           |   | 3. Lubricating and other oils..  | 850 t                               | 10                                       |
|             | 34.03                                   | Lubricating preparations and prepar-<br>ations of the type used to grease or<br>impregnate textile materials, hides or<br>skins or other materials, except those<br>that contain 70 percent by weight of oils<br>derived from petroleum or bituminous ores:                                  |                                     |  |

ex A. That contain oils derived from  
petroleum or bituminous ores:

Except lubricating preparations  
for the treatment of textiles,  
hides, skins and furs..... 850 t 10

10 27.11 Petroleum gas and other gaseous  
hydrocarbons.....17,000 t 10

11 27.12 Vaseline.....

27.13 Paraffin, petroleum or bituminous ore... 400 t 10  
waxes, ozocerite, lignite wax, peat wax  
and paraffinic residues (gatsch, slack  
wax, etc), including red.

27.14 Petroleum bitumens and coke and other  
byproducts of petroleum oils or of  
bitumenous ores.....

27.15 Natural bitumens and asphalts;  
bituminous schists and sands, asphalt- 6,000 t 10  
ic rocks.....

27.16 Bituminous mixtures that have natural  
asphalt or bitumens as a base, petro-  
leum bitumen, ore tar or mastic made  
from ore tar (such as bituminous  
mastics and cut backs).....

Annex B--List of Products Mentioned in Article 3 of Protocol No 3

| Number of<br>Limit | Common Customs<br>Tariff List<br>Number | Description of Merchandise  | Base Volume<br>1986 |
|--------------------|---|---|---------------------|
| 1.                 | ex 58.04                                | Velvets, plushes, loop weave, lace edging, with the exception of products contained in Nos 55.08 and 58.05: Made of cotton..... |                     |
|                    | 58.09                                   | Tulles, thread, and net weaves with designs; lace (hand or machine-made), in pieces, strips or applied:                         |                     |
|                    |   | B. Lace:  |                     |
|                    |   | ex I. Hand-made:<br>with the exception of lace made of cotton, wool,<br>artificial and synthetic fibers.....                    | 65 t                |
|                    |   | II. Machine-made.....   |                     |
|                    | 60.01                                   | Mesh fabrics, nonelastic, without rubber, in remnants:  |                     |
|                    |   | C. Of other textile materials:  |                     |
|                    |   | I. Cotton.....  |                     |
|                    | 60.04                                   | Underwear, nonelastic mesh, without rubber  |                     |
| 2.                 |   | A. Baby clothing, clothing for girls up to size 96 inclusive:   |                     |
|                    |   | I. T shirts   |                     |
|                    |   | a) cotton.....  |                     |

II. Undershirts:

a) cotton.....

III. Others:

b) cotton.....

B. Others:

IV. Others:

d) cotton:

1. For men and boys:

bb) Pajamas.....

2. For women, young women and children:

aa) Pajamas.....

bb) nightshirts.....

60.05

Outer wear, pertinent accessories and other items of non-elastic weave without rubber:

A. Outer wear and pertinent accessories:

II. Other:

ex a) Mesh fabric outer wear of No 59.08:  
cotton.....

b) Other:

1. Baby clothing, clothing for girls to size 86 inclusive:



cc) cotton.....

2. Swim suits and trunks:

bb) cotton.....

3. Sports exercise suits:

bb) cotton.....

4. Other outer wear:

cc) Dresses:

44. Cotton.....

dd) Skirts, including pant-skirts:

33. Cotton.....

ee) Trousers:

ex 33. Of other textile materials:

Cotton.....

ff) Suits and ensembles for men and boys  
except ski clothing:

ex 22. Of other textile materials:

cotton.....

gg) Skirt-jackets and ensembles for women,  
girls and children, except ski clothing:

44. Cotton.....

ijij) Anoraks, flight jackets and similar items:

6 t

ex 11. Wool or fur, cotton, synthetic  
or artificial fibers:

Cotton.....

kk) Suits and ensembles for skiing made up  
of two or three pieces:

ex 11. Wool or fine hair, cotton, synthetic  
or artificial fibers:

Cotton.....

11) Other outer wear:

44. Cotton.....

5. Dress accessories:

44. Cotton.....

B. Others:

ex III. Of other textile materials:

Cotton.....

60.01 Outer wear for men and boys:

A. Cowboy-type clothing and similar clothing for  
costumes or recreational purposes of size  
smaller than 159; woven clothing of numbers  
59.08, 59.11 or 59.12:

II. Other:

ex a) Long trousers:

Cotton.....

ex b) Other:

Cotton.....

B. Other:

I. Work clothing:

a) One-piece overalls, smocks, bib  
aprons:

Cotton.....

b) Other:

Cotton.....

II. Bathing suits and trunks:

ex b) Of other textile materials:

Cotton.....

III. Bathrobes, lounging robes and jackets  
and similar lounging clothing:

b) Cotton.....

IV. Parkas, Anoraks, flight jackets, etc.

b) Cotton

10 5

V. Other:

a) Coats:

3. Cotton.....

b) Overcoats, raincoats and other long  
coats, including capes:

- 3. Cotton.....
  - c) Suits and ensembles except ski clothing.....
    - f) Suits and ensembles for skiing made up of two or three pieces:
        - ex 1. Of wool or fine hair, cotton, synthetic or artificial fibers:
          - Cotton.....
      - g) Other clothing:
        - 3. Cotton.....
- 61.02 Outer wear for women, young ladies and children:
- A. Baby clothing, clothing for girls up to size 86, inclusive; cowboy-type clothing and other similar clothing for disguise or recreation of size under 185:
    - I. Clothing for babies; clothing for girls up to size 86, inclusive:
      - a) Cotton.....
    - B. Other:
      - I. Woven clothing from Nos 59.08, 59.11 or 59.12:
        - ex a) Long coats:
          - Cotton.....
        - ex b) Other:
          - Cotton.....

II. Others:

a) Aprons, blouses and other work clothing:

1. Cotton.....

b) Bathing suits:

ex 2. Of other textile materials:

Cotton.....

c) Bathrobes, other robes, reading jackets  
and other similar lounging clothing:

2. Cotton.....

d) Parkas, anoraks, flight jackets and similar  
items:

2. Cotton.....

e) Other:

1. Coats:

cc) Cotton.....

2. Long coats and raincoats, including  
capas:

10 t

cc) Cotton.....

3. Skirts, coats and ensembles, except ski  
clothing:

cc) Cotton.....

4. Dresses:
- ee) Cotton.....
5. Skirts, including cullotes:
- cc) Cotton.....
8. Suits and ensembles for skiing made up of two or three pieces:
- ex aa) Wool or fine hair, cotton, synthetic, or artificial textile fibers:
- Cotton.....
9. Other clothing:
- cc) Cotton.....
- 61.03 Underwear for men and boys, including collars, front closings and cuffs:
- B. Pajamas:
- II. Cotton.....
- C. Others:
- II. Cotton.....
- 61.04 Underwear for women, young ladies and children:
- A. Baby clothing, girl's clothing up to size 86, inclusive:
- I. Cotton.....



|       |   |                 |
|-------|---|-----------------|
| 5     | B. Others:  |                 |
|       | I. Pajamas and night shirts:  |                 |
|       | b) Cotton.....  |                 |
|       | II. Others:   |                 |
| 60.04 | b) Cotton.....  |                 |
|       | Underwear of nonelastic fabric without rubber:  |                 |
|       | B. Others:  |                 |
|       | IV. Others:   |                 |
|       | b) Of textile and synthetic fibers:   |                 |
|       | 1. For men and boys:  |                 |
|       | cc) Slips, shorts and similar items.....  |                 |
|       | 2. For women, girls and children:   |                 |
|       | dd) Slips, shorts and similar items.....  | 1 million units |
|       | d) Cotton:  |                 |
|       | 1. For men and boys:  |                 |
|       | cc) Slips, shorts and similar items.....  |                 |
| 39.02 | 2. Slips, shorts and similar items.....   |                 |
|       | Products of polymerization and copolymerization (polyethylene, polytetra-aliethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloracetate and other polyvinyl derivatives, polyacrylic derivatives, polymetacrylic derivatives and coumarine-indene resins, etc.)..... | 12,000 t        |

|   |         |   |               |
|---|---------|---|---------------|
| 7 | 45.02   | Natural cork in cubes, sheets, strips, including cubes or squares for making cork stoppers..... | i t           |
| 8 | 45.03   | Natural cork items.....   | 500 t         |
| 9 | 45.04   | Compressed cork, with or without glue, respective products.....                                 | 500 t         |
| 1 | 55.05   | Cotton thread not suitable for retail sales   |               |
| 2 | 35.09   | Other cotton fabrics.....   | 245 t         |
| 3 | 56.07 A | Textiles of artificial or synthetic fibers, non-continuous:                                     |               |
|   |         | A. Synthetic textile fibers.....  | 325 t         |
| 4 | 60.04   | Underwear, nonelastic fabric without rubber:  |               |
|   |         | B. Others:  |               |
|   |         | I. T-shirts.....  |               |
|   |         | II. Undershirts:  |               |
|   |         | a) Cotton.....  |               |
|   |         | b) Synthetic textile fibers.....  |               |
|   |         | c) Artificial textile fibers.....   |               |
|   |         | IV. Others:   |               |
|   |         | b) Synthetic textile fibers:  |               |
|   |         | 1. For men and boys:  |               |
|   |         | aa) Shirts.....   | 814,000 units |
|   |         | bb) Others.....   |               |

2. For women, girls and children:

ee) Others.....

d) Cotton:

1. For men and boys:

aa) Shirts.....

dd) Others.....

2. For women, girls and children:

dd) Others.....

60.05 Outerwear, pertinent accessories and other items of non-elastic fabric without rubber:

A. Outerwear and pertinent accessories:

I. Camisoles and pullovers with at least 50 percent by weight in wool and weighing 600 grams or more per unit; cowboy type clothing and similar clothing for disguise or recreation of a size smaller than 158:

a) Camisoles and pullovers with at least 50 percent by weight of wool and weighing 600 grams or more per unit.....

II. Other:

b) Other:

4. Other outerwear:

bb) Camisoles, pullovers (with or without sleeves) twin sets, vests and coats, except jackets mentioned in subitem 60.05, A,II,b) 4, hh): 652,000 units

11. For men and boys:

- aaa) Wool.....
- bbb) Fine hair.....
- ccc) Synthetic textile fibers.
- ddd) Artificial textile fibers.
- eee) Cotton.....

22. For women, girls and children:

- bbb) Wool.....
- ccc) Fine hair.....
- ddd) Synthetic textile fibers..
- eee) Artificial textile fibers.
- fff) Cotton

Outerwear for men and boys:

61.01

B. Other:

V. Other:

d) Trousers and shorts:

- 1. Wool or fine hair.....
- 2. Synthetic or artificial textile fibers.....
- 3. Cotton.....

e) Trousers:

- 1. Wool or fine hair.....
- 2. Synthetic or artificial textile fibers.....
- 3. Cotton.....

61.02      Outerwear for women, girls and children:      407,000 units

B. Other:

II. Other:

e) Other:

6. Trousers:

- aa) Wool or fine hair.....
- bb) Synthetic or artificial textile fibers.....
- cc) Cotton.....

60.05      Outerwear, pertinent accessories and other products of non-elastic fabric without rubber:

A. Outerwear and pertinent accessories:

II. Other:

b) Other:

4. Other outerwear:      293,000 units

aa) Shirtwaists, blouse-shirtwaists and blouses for women, girls and children:

- 22. Wool or fine hair.....
- 33. Synthetic textile fibers.....
- 44. Artificial textile fibers.....
- 55. Cotton.....

|       |   |               |
|-------|---|---------------|
| 61.02 | Outerwear for women, girls and children:  |               |
|       | B. Other:   |               |
|       | II. Other:  |               |
|       | e) Other:   |               |
|       | 7. Shirtwaists, blouse-shirtwaists and blouses:   |               |
|       | bb) Synthetic textile fibers.....   |               |
|       | cc) Cotton.....   |               |
|       | dd) Other textile materials.....  |               |
|       | Wool or fine hair.....  |               |
| 8     | Underwear for men and boys, including collars, front closing and cuffs:   |               |
| 61.03 | A. Shirts:  |               |
|       | I. Synthetic textile fibers.....  | 814,000 units |
|       | II. Cotton.....   |               |
|       | ex III.   |               |
|       | Wool or fine hair.....  |               |
|       | Artificial textile fibers.....  |               |
| 55.08 | Cotton loop material ("Turkish weave")  |               |
| 62.02 | Bed-clothes, tablecloths, pantry or kitchen towling, curtain drapes, and other articles for furnishing interiors: |               |
| 9     | B. Others:  | 325 t         |
|       | III. Dresser, pantry or kitchen towling.  |               |



|    |       |  |       |
|----|-------|--|-------|
| 10 | 61.05 | Handkerchiefs and pocket handkerchiefs:  | 1.6 t |
|    |       | 1. With loops of Turkish type.....   |       |
|    |       | a) Cotton.....   |       |
|    |       | A. Cotton.....   |       |
|    |       | ex C. Other textile materials:   |       |
|    |       | Wool and fine hair.....  |       |
|    |       | Synthetic or artificial textile fibers.....  |       |
| 11 | 62.02 | Bed-clothes, tablecloths, dresser scarves, pantry and kitchen toweling; curtains and drapes or other materials for furnishing interiors: |       |
|    |       | B. Others:   |       |
|    |       | I. Bed-clothes:  |       |
|    |       | a) Cotton.....   | 407 t |
|    |       | ex c) Other textile materials:   |       |
|    |       | Wool or fine hair.....   |       |
|    |       | Synthetic or artificial fibers.....  |       |
| 12 | 51.04 | Fabrics of textile fibers, synthetic or artificial, continuous (including monofilament fabrics or of sheets in Nos 51.01 or 51.02):      |       |
|    |       | A. Synthetic textile fiber fabrics:  |       |
|    |       | III. Fabrics obtained from sheets or similar forms of polyethylene or polypropylene of the following width:                              |       |

a) Less than 3 m..... 325 t

62.03

Sacks and similar items for packing:

B. Woven from other textile materials:

II. Others:

b) Synthetic fiber fabrics:

1. Obtained from polyethylene or polypropylene  
sheets.....

13

62.02

Bed-clothes, tablecloths, napkins, dressing table scarves, pantry  
and kitchen towelling, curtains and drapes and other items for  
furnishing interiors:

B. Others:

II. Tablecloths and napkins:

a) Cotton.....245 t

ex c) Other textile materials:

Wool or fine hair.....  
Synthetic or artificial fibers.....

III. Dressing table scarves, pantry and kitchen  
towelling:

a) Cotton..... 245 t

2. Other:

ex c) Other textile materials:

8908

CSO: 3542/5

14

Wool or fine hair.....  
Synthetic or artificial fibers..

59.04  
of  
which

String, cord, and ropes, braided or not..... 2,282 t

ex  
59.04

Synthetic textile fibers..... 1,466 t

END

145

**END OF**

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**DATE FILMED**

14 March '86

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